

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

349
A



FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
October 24, 2013

SUBJECT: Resolution No. 2013-262 – Alvord Unified School District, General Obligation Bonds, Election of 2012, Series A (Vote on Separately) - Dist. 1, 1/2, 2 [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2013-262 providing for the issuance and sale of Alvord Unified School District, General Obligation Bonds, Election of 2012, Series A in a maximum principal amount of \$79,000,000.

BACKGROUND:

Summary

Education Code Section 15140 requires that general obligation bonds of a school district be offered for sale by the Board of Supervisors of the County when the County's Superintendent of Schools has jurisdiction over the district and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time, the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on Page 2.)



Name: Don Kent
Title: Treasurer/Tax Collector

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-----------------|----------------------|-------------------|-------------|---------------|---|
| COST | \$ n/a | \$ n/a | \$ n/a | \$ n/a | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ n/a | \$ n/a | \$ n/a | \$ n/a | |

SOURCE OF FUNDS: District General Obligation Bonds will be secured by and paid from voter approved property taxes.

Budget Adjustment: n/a
For Fiscal Year: 2013-2014

C.E.O. RECOMMENDATION:

APPROVE

BY:


Karen L. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 10/22/13
DATE
DALE A. GARDNER
Departmental Concurrence

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

Prev. Agn. Ref.:

District: 1,2/1,2

Agenda Number:

3-67

BACKGROUND:

Summary (continued)

Alvord Unified School District (the "District"), under the jurisdiction of the Riverside County Superintendent of Schools, intends to offer its bonds through either a competitive sale or via a negotiated sale. Accordingly, the District Board of Education adopted a resolution requesting this Board to sell the District's general obligation bonds which have been duly authorized by the voters of the District.

An election was held on November 6, 2012, pursuant to Section 1 of Article XIII A of the California Constitution, Section 18 of Article XVI of the California Constitution, and Chapter 1 of Part 10 of Division 1 of Title 1 (Section 15266) of the Education Code, codifying, in part, Proposition 39. The measure, which was approved by more fifty-five percent of the votes cast by eligible voters of the District, authorized the incurrence of general obligation bonded indebtedness in an aggregate principal amount not to exceed \$79,000,000.

This Resolution, 2013-262, authorizes and provides for the issuance of Alvord Unified School District, General Obligation Bonds, Election of 2012, Series A (the "Series A Bonds") in an aggregate principal amount not to exceed \$79,000,000. The bond proceeds will be used primarily to pay, at maturity, the District's outstanding 2010 General Obligation Bond Anticipation Notes. The remaining proceeds of the Series A Bonds will be used to finance additional educational projects approved by the District's voters at the November 6, 2012 election.

It is anticipated that the Series A Bonds will be issued as current interest bonds and capital appreciation bonds. The restrictions on the issuance of capital appreciation bonds contained in AB 182 will be met.

The Series A Bonds represent a general obligation of the District and do not constitute a debt, liability, or obligation of Riverside County. No part of any fund of the County is pledged or obligated to the payment of the Series A Bonds.

County Counsel has reviewed Resolution No. 2013-262 and has approved it as to form.

Impact on Citizens and Businesses

The voters of the District approved the levy of ad valorem property taxes to pay the bonded indebtedness to finance new and improved District facilities. The citizens within the District will receive new and improved educational facilities.

ATTACHMENTS (if needed, in this order):

Resolution No. 2013-262

Bond Purchase Contract

Notice of Sale

District Resolution

Preliminary Official Statement

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

Dated as of _____, 2013

Among

COUNTY OF RIVERSIDE,

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

relating to

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION
VARIABLE RATE DEMAND LEASEHOLD REVENUE REFUNDING BONDS
SERIES 2008A
(SOUTHWEST JUSTICE CENTER REFUNDING)

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EXHIBIT A FORM OF LETTER OF CREDIT

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of _____, 2013 (this "Agreement"), is by and among the COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit, public benefit corporation organized under the laws of the State of California (including its successors and assigns, the "Corporation"), the COUNTY OF RIVERSIDE, CALIFORNIA, a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California (including its successors and assigns, the "County") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (including its successors and assigns, the "Bank").

W I T N E S S E T H:

WHEREAS, the Corporation issued its County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (the "Bonds") in the aggregate principal amount of \$78,895,000 pursuant to an Indenture of Trust, dated as of December 1, 2008, by and among the Corporation, the County and U.S. Bank National Association (including its successors and assigns, the "Trustee"), as amended by the First Supplemental Indenture of Trust, dated as of October 1, 2011 (and as further supplemented and amended hereafter, the "Indenture"); and

WHEREAS, concurrently with the issuance of the Bonds, Assured Guaranty Corp. (the "Bond Insurer") issued and delivered to the Trustee its financial guaranty insurance policy (the "Bond Insurance Policy") insuring the scheduled payment of principal of and interest on the Bonds; and

WHEREAS, concurrently with the issuance of the Bonds, Union Bank, N.A. (formerly Union Bank of California, N.A.) issued and delivered to the Trustee its direct-pay letter of credit securing the payment of the principal of, interest on and purchase price of the Bonds (the "Existing Letter of Credit"); and

WHEREAS, the Corporation and the County have each requested the Bank to issue an irrevocable direct-pay letter of credit to replace the Existing Letter of Credit and to provide credit and liquidity support for the Bonds while the Bonds bear interest at the Daily Interest Rate or the Weekly Interest Rate (each as defined in the Indenture); and

WHEREAS, the Bank is willing to issue such a letter of credit upon the terms and conditions set forth in this Agreement;

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

NOW, THEREFORE, in consideration of the premises, in reliance on the representations, warranties, covenants, and other agreements hereinafter contained and referenced, and for other good, valuable, and fair considerations and reasonably equivalent value, the receipt and sufficiency of which are hereby recognized and acknowledged by all parties hereto, the Corporation, the County and the Bank hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms shall have the following meanings as used herein:

“Additional Rental” has the meaning set forth in the Indenture.

“Additional Rights” means, in each case with respect to a Bank Agreement, representations of the County, covenants of the County, events of default and remedies (excluding immediate termination or suspension of the obligations of a liquidity provider without purchase of the underlying obligations) under such Bank Agreement, in each case that are in addition to, more restrictive than, or superior to the terms of this Agreement.

“Affiliate” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“Alternate Letter of Credit” means any letter of credit, line of credit, bond insurance or other instrument which provides for payment when due of principal and interest evidenced by the Bonds delivered to the Trustee in accordance with Section 702 of the Indenture.

“Assignee” has the meaning set forth in Section 9.4(b) hereof.

“Assignment Agreement” means the Assignment Agreement, dated as of December 1, 2008, between the Trustee and the Corporation.

“Authorized Officer” has the meaning set forth in the Indenture.

“Availability Period” means the period commencing on the Date of Issuance and ending on the Termination Date.

“Bank” has the meaning set forth in the initial paragraph hereof.

“Bank Agreement” means any agreement (or any amendment, supplement or modification thereto) entered into by the County with any commercial bank or Affiliate thereof pursuant to which such commercial bank or Affiliate thereof provides (or agrees to provide) credit or liquidity to the County (whether directly or indirectly by means of enhancement of Debt securities of the County) or purchases for its own account (and not for resale) Debt securities of the County that contain a put provision, mandatory redemption provision or acceleration right on the part of the holder thereof, other than (i) equipment leases and equipment purchase agreements and (ii) Debt securities (other than commercial paper notes) with a maturity date that is not more than thirteen months from the date of issuance or purchase.

“Bank Book-Entry Account” has the meaning set forth in Section 2.10(b) hereof.

“Bank Bond CUSIP Number” means the CUSIP number assigned to the Bank Bonds by S&P’s CUSIP Bureau.

“Bank Bonds” means any and all Bonds purchased by the Trustee with proceeds of a drawing under the Letter of Credit, which Bonds are then, pursuant to the terms of the Indenture, registered in the name of and owned by the Bank or its designee. Bank Bonds are sometimes referred to in the Indenture as “Purchased Bonds.”

“Bank-Related Persons” means the Bank, its Affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Bank and Affiliates.

“Base Rate” means, for any day, a rate of interest per annum equal to the highest of (a) the Prime Rate in effect for day such plus one percent (1%), (b) the Federal Funds Rate for such day plus two percent (2%) and (c) seven percent (7%). Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or the Federal Funds Rate, as the case may be.

“Base Rental” has the meaning set forth in the Indenture.

“Bond Insurance Cancellation Agreement” has the meaning set forth in Section 2.2(c) hereof.

“Bond Insurance Policy” has the meaning set forth in the recitals hereto.

“Bond Insurer” has the meaning set forth in the recitals hereto.

“Bond Insurer Event of Default” means the occurrence of any one or more of the following events: (a) the Bond Insurer becomes subject to conservation, liquidation or receivership proceedings under the Maryland insurance laws, (b) the failure of the Bond Insurer at any time to have one out of two of the following ratings (including, but not limited to, in the event of a withdrawal or suspension of any such ratings): (i) a claims-paying ability rating of “A-” or higher from S&P or (ii) a financial strength rating of “A3” or higher from Moody’s, (c) the Bond Insurer fails to make payment when due under the terms and conditions set forth in the Bond Insurance Policy or the Swap Insurance Policy, (d) (i) any material provision of the Bond Insurance Policy or the Swap Insurance Policy is declared null and void or otherwise not valid and binding on the Bond Insurer by a court or other governmental agency of appropriate jurisdiction or (ii) the validity or enforceability thereof is contested by the Bond Insurer or any governmental agency or authority of appropriate jurisdiction, or the Bond Insurer denies in writing that it has any further liability or obligation under the Bond Insurance Policy or the Swap Insurance Policy.

“Bonds” has the meaning set forth in the recitals hereto.

“Business Day” means any day of the year other than (a) a Saturday, (b) a Sunday, (c) any day which shall be in Los Angeles, California or New York, New York a legal holiday or a day on which banking institutions are authorized or required to close, and (d) any day which

the Trustee advises the Bank in writing is a legal holiday or a day on which banking institutions are authorized or required to close in the city in which the corporate trust office of the Trustee is located. The corporate trust of the Trustee is presently located in Los Angeles, California.

"Change in Law" means the occurrence, after the Date of Issuance, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a *"Change in Law"*, regardless of the date enacted, adopted or issued.

"Corporation" has the meaning set forth in the initial paragraph hereof.

"Corporation Related Document" means any Related Document to which the Corporation is a party and "Corporation Related Documents" means all Related Documents to which the Corporation is a party.

"County" has the meaning set forth in the initial paragraph hereof.

"County Related Document" means any Related Document to which the County is a party and "County Related Documents" means all Related Documents to which the County is a party.

"Cumulative Excess Base Rental Amount" has the meaning set forth in the Facilities Lease.

"Custodian" has the meaning set forth in Section 2.10(c) hereof.

"Cut-Off Date" has the meaning set forth in Section 3.2(c) hereof.

"Daily Interest Rate" has the meaning set forth in the Indenture.

"Date of Issuance" means the date on which the Letter of Credit is issued by the Bank and delivered to the Trustee.

"Debt" means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (iii) all obligations secured by any Lien upon property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all obligations of such Person as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet

of such Person, (v) all obligations of such Person on or with respect to letters of credit, banker's acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (vi) certificates of participation evidencing an undivided ownership interest in payments made by such Person (A) as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet of such Person, (B) as purchaser under an installment sale agreement or (C) otherwise as an obligor in connection therewith, and (vii) all Debt of any other Person of the kind referred to in clauses (i) through (vi) above which is guaranteed (regardless of form) directly or indirectly in any manner by such Person; provided, however, that with respect to the County, Debt shall exclude conduit, enterprise and other Debt that have no claim on the general fund of the County.

"Default" means any condition or event which with the giving of notice or lapse of time or both could reasonably be expected to, unless cured or waived, become an Event of Default.

"Default Rate" means, as of any date of determination, a rate per annum equal to the Base Rate in effect on such date plus three percent (3%).

"Deferred Obligations" has the meaning set forth in Section 2.4(d) hereof.

"Differential Interest Amount" means, with respect to any Bank Bond, the excess of (i) interest which has accrued and could actually be paid on such Bank Bond at the Liquidity Rate or Term Loan Rate, up to but excluding the Business Day on which such Bank Bond is remarketed and ceases to be a Bank Bond, less (ii) the interest accrued on such Bank Bond and received by the holder thereof as part of the remarketing proceeds.

"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

"Dollars" and the sign "\$" means lawful money of the United States of America.

"Drawing" means a drawing made or permitted to be made pursuant to the terms of the Letter of Credit.

"DTC" means The Depository Trust Company and its successors and assigns.

"DTC Book-Entry Account" has the meaning set forth in Section 2.10(b) hereof.

"DTC Notice" has the meaning set forth in Section 2.10(b) hereof.

"EMMA" means the Electronic Municipal Market Access system and any successor thereto.

"Event of Default" has the meaning set forth in Section 8.1 hereof.

"Excess Interest" has the meaning set forth in Section 3.3(c) hereof.

“Facilities Lease” means the Facilities Lease, dated as of December 1, 2008, by and between the County and the Corporation, as from time to time amended or supplemented.

“Facilities Lease Obligations” means, at any time, all obligations and liabilities payable from Base Rental at such time.

“Fair Rental Value” has the meaning set forth in the Facilities Lease.

“FAST Eligible Bonds” has the meaning set forth in Section 2.10(b) hereof.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; provided that (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Fee Letter” means the letter, dated _____, 2013, from the Bank to the Corporation and the County regarding certain fees, costs and expenses, as the same may be amended from time to time thereafter.

“Fiscal Year” means each twelve month period commencing on July 1 of a calendar year and ending on June 30 of the following calendar year.

“Fitch” means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Government Acts” means any act or omission to act, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Incorporated Provisions” has the meaning set forth in Section 7.27 hereof.

“Indenture” has the meaning set forth in the recitals hereto.

“Leased Premises” has the meaning set forth in the Facilities Lease.

“Letter of Credit” means an irrevocable direct-pay letter of credit in the form of Exhibit A hereto, with blanks appropriately completed, executed and issued by the Bank in favor of the Trustee for the benefit of the Owners of the Bonds.

“Lien” means, with respect to any property, tangible or intangible, real or personal, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such property.

“Liquidity Advance” and “Liquidity Advances” have the meanings set forth in Section 2.4(a) hereof.

“Liquidity Advance Maturity Date” means, for a Liquidity Advance, the one hundred eighty first (181st) day following the date such Liquidity Advance was made.

“Liquidity Drawing” means a Drawing made under the Letter of Credit for the purpose of purchasing Bonds in connection with an Optional Tender or a Mandatory Tender.

“Liquidity Rate” means, with respect to any Liquidity Advance or any Bank Bond evidencing such Liquidity Advance, a fluctuating rate of interest equal to the Base Rate; provided, however, that (x) immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “Liquidity Rate” shall mean a fluctuating rate of interest equal to the Default Rate or (y) if the rate of interest borne by Bonds other than Bank Bonds exceeds the interest rate borne by Bank Bonds, the “Liquidity Rate” shall equal the rate of interest borne by such non-Bank Bonds.

“Mandatory Tender” means a tender (or deemed tender) of a Bond for purchase by the Owner thereof pursuant to, and in accordance with, Sections 402 or 403 of the Indenture.

“Maximum Rate” means, notwithstanding the provisions of the Indenture, the lesser of (i) 12% or (ii) the maximum interest rate permitted by law.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Most Favored Nations Provision” means one or more provisions, agreements or terms contained in a Bank Agreement or an amendment, modification or supplement thereto that provides any party thereto (other than the County) with the automatic right to receive, or the option to receive, Additional Rights upon execution by the County of another Bank Agreement or an amendment, modification or supplement thereto.

“Obligations” mean the Corporation’s, or the County’s on behalf of the Corporation, obligation to reimburse all Drawings, to repay all Liquidity Advances and Term Loans, to pay debt service on the Bank Bonds, to pay the principal, interest, fees, expenses, costs and other amounts owed to the Bank or the Parent pursuant to the terms of this Agreement, any Related

Document or any other document, instrument or agreement entered into by the County with or in favor of the Bank in connection herewith or therewith, together with all covenants and duties owing by the Corporation, or the County on behalf of the Corporation, to the Bank of any kind or description, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

“Optional Tender” means a tender of a Bond for purchase by the Owner thereof pursuant to, and in accordance with, Section 402 of the Indenture.

“Outstanding” has the meaning set forth in the Indenture.

“Owner” has the meaning set forth in the Indenture.

“Parent” means any Person controlling the Bank.

“Participant” has the meaning set forth in Section 9.4(b) hereof.

“Patriot Act” has the meaning set forth in Section 9.11 hereof.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Prime Rate” means for any day the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime lending rate” or “reference rate.” Such prime lending rate or reference rate is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime lending rate or reference rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“Prior Agreement” means the Reimbursement Agreement, dated as of December 1, 2008, between the County and the Prior Bank.

“Prior Bank” means Union Bank, N.A. (formerly Union Bank of California, N.A.).

“Rating” means the long-term rating (without regard for any bond insurance or any other form of credit enhancement, including the Letter of Credit) assigned to any lease revenue debt that is payable from the County’s general fund.

“Rating Agency” means either of Moody’s or S&P and “Rating Agencies” means Moody’s and S&P.

“Refunding Bonds” has the meaning set forth in the Indenture.

“Related Documents” means the this Agreement, the Indenture, the Bonds, the Bond Insurance Policy, the Bond Insurance Cancellation Agreement, the Assignment Agreement, the Site Lease, the Facilities Lease, the Fee Letter and the Remarketing Agreement.

“Remarketing Agent” has the meaning set forth in the Indenture.

“Remarketing Agreement” has the meaning set forth in the Indenture.

“Remarketing Memorandum” means the Remarketing Memorandum for the Bonds, together with all amendments and supplements thereto.

“Rental Payments” means Base Rental and Additional Rental.

“S&P” means Standard & Poor’s Credit Market Services, a division of The McGraw-Hill Companies, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Site Lease” means the Site Lease, dated as of December 1, 2008, by and between the County and the Corporation, and as from time to time amended or supplemented thereto.

“State” means the State of California.

“Stated Expiration Date” means, initially, December __, 2016 and, if the Letter of Credit is extended in accordance with its terms, the most recent scheduled expiration date to which the Letter of Credit has been extended.

“Swap Agreement” means that ISDA Master Agreement, Schedule (including the Credit Support Annex thereto) and Confirmation, each dated as of January __, 2012, between the Bank, as Party A, and the Corporation, as Party B, as from time to time amended or supplemented.

“Swap Insurance Policy” means the financial guaranty insurance policy issued by the Bond Insurer insuring scheduled payments of the Corporation under the Swap Agreement.

“Taxes” has the meaning set forth in Section 3.4(b) hereof.

“Term Loan” has the meaning set forth in Section 2.4(b) hereof.

“Term Loan Amortization End Date” means, notwithstanding Section 401(m) of the Indenture, with respect to any Term Loan, the first to occur of (a) the fourth (4th) anniversary of the Term Loan Commencement Date; (b) the fourth (4th) anniversary of the Termination Date; (c) the date on which any Bank Bond representing such Term Loan matures, is prepaid or cancelled pursuant to the Indenture; (d) the date on which any Bank Bond representing such Term Loan is remarketed pursuant to the Indenture and the Remarketing Agreement; (e) the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture; (f) the date on which the Bonds are converted to a Long-Term Interest Rate (as defined in the Indenture) to maturity; and (g) the date the Bank gives notice pursuant to Section 8.2(a)(ii) hereof.

“Term Loan Amortization Payment Date” means, with respect to any Term Loan, the related Term Loan Amortization Start Date and, thereafter, the first Business Day of each six (6) month thereafter with the final payment of principal being due and payable on the related Term Loan Amortization End Date.

“Term Loan Amortization Start Date” means the first _____ 1 or _____ 1, as the case may be, immediately following the Term Loan Commencement Date; provided that the Term Loan Amortization Start Date shall not occur within the first sixty (60) days immediately following the Term Loan Commencement Date.

“Term Loan Commencement Date” means, for a Term Loan, the one hundred eighty first (181st) day following the date the related Liquidity Advance was made.

“Term Loan Rate” means, with respect to any Term Loan or any Bank Bond evidencing such Term Loan, a fluctuating rate of interest equal to the Base Rate plus one percent (1%); provided, however, that (i) immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “Term Loan Rate” shall mean a fluctuating rate of interest equal to the Default Rate.

“Termination Date” has the meaning set forth in the Letter of Credit.

“Trust Amounts” has the meaning set forth in Section 2.8 hereof.

“Trustee” has the meaning set forth in the recitals hereto.

“2012 CAFR” means the comprehensive annual financial report of the County dated as of June 30, 2012.

“Underlying Provisions” has the meaning set forth in Section 7.27 hereof.

“Weekly Interest Rate” has the meaning set forth in the Indenture.

Section 1.2 Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Indenture.

Section 1.3 Accounting Terms and Determinations. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

Section 1.4 Interpretation. The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (a) the singular includes the plural, and the plural the singular; (b) words importing any gender include the other gender and the neuter gender; (c) references to statutes are to be construed as including all statutory provisions consolidating, and all regulations promulgated pursuant to, such statutes; (d) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words “including”, “includes” and “include” shall be deemed to

be followed by the words "without limitation"; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns.

ARTICLE II

LETTER OF CREDIT; REIMBURSEMENT; LIQUIDITY ADVANCES; TERM LOANS

Section 2.1 Application for Letter of Credit. Each of the Corporation and the County hereby applies to the Bank for, and authorizes and instructs the Bank to issue for the County's account, the Letter of Credit and to make Liquidity Advances and Term Loans. The Bank agrees that it will pay all Drawings under the Letter of Credit from its own funds.

Section 2.2 Conditions Precedent to Issuance of the Letter of Credit. Upon satisfaction of each and every condition listed below, the Bank hereby agrees to issue the Letter of Credit:

(a) Counterparts of this Agreement and the Fee Letter shall have been duly executed and delivered by the Corporation, the County and the Bank;

(b) the Bank shall have received true, correct and complete copies of the Related Documents. With respect to the Remarketing Agreement, there shall be included all amendments and supplements thereto, if any, that have been executed and delivered by the parties thereto since initial delivery of the Bonds and the County will certify to the Bank that each of said Related Documents, as the same may have been amended and supplemented to the Date of Issuance, is in full force and effect on and as of the Date of Issuance;

(c) the Bank shall have received counterparts of a Bond Insurance cancellation agreement in form and substance satisfactory to the Bank (the "Bond Insurance Cancellation Agreement") executed and delivered by the Corporation, the Bond Insurer and the Bank and consented to by the Bank in its capacity as swap counterparty;

(d) the Bank shall have received evidence that the purchase price of the Bonds tendered on the Date of Issuance has been provided (i) by the Prior Bank pursuant to the Prior Agreement or (ii) from the proceeds of the remarketing of the Bonds on the Date of Issuance and that, as of the effectiveness of this Agreement, none of the Bonds is owned by or is under the control of the Prior Bank, the Remarketing Agent or the County or Corporation;

(e) the Bank shall have received the opinion of Nixon Peabody LLP, as to the enforceability of this Agreement and the Fee Letter and such other matters as the Bank may reasonably request, which opinion shall be dated the Date of Issuance and shall be addressed to the Bank;

(f) the Bank shall have received a copy of the approving opinion of Nixon Peabody LLP dated as of December 10, 2008 and a reliance letter addressed to the Bank and dated the Date of Issuance with respect to such approving opinion;

(g) the Bank shall have received the opinion of counsel to the County and the Corporation addressing such matters as the Bank may reasonably request, which opinion shall be dated the Date of Issuance and shall be addressed to the Bank;

(h) the Bank shall have received, on or prior to the Date of Issuance, a copy of the resolutions of the County authorizing the execution, delivery and performance of this Agreement and the County Related Documents, certified by the Clerk of the Board of Supervisors of the County, which certification shall include a statement to the effect that such resolutions are in full force and effect on the Date of Issuance and have not been amended;

(i) the Bank shall have received, on or prior to the Date of Issuance, a certificate of the Clerk of the Board of Supervisors of the County certifying the names and true signatures of the officials of the County authorized to sign this Agreement, the Fee Letter and the other documents to be delivered by the County hereunder;

(j) the Bank shall have received, on or prior to the Date of Issuance, the articles of incorporation and bylaws of the Corporation, together with all amendments thereto, certified as to accuracy and completeness by the Secretary or Assistant Secretary of the Corporation, and a good standing certificate in respect of the Corporation issued by the California Secretary of State and dated a date not more than ten Business Days prior to the Date of Issuance;

(k) the Bank shall have received, on or prior to the Date of Issuance, a copy of the resolutions of the Corporation authorizing the execution, delivery and performance of this Agreement, the Fee Letter and the other documents to be delivered by the Corporation hereunder and the other Corporation Related Documents, certified by the Secretary or Assistant Secretary of the Corporation, which certification shall include a statement to the effect that such resolutions are in full force and effect on the Date of Issuance and have not been amended;

(l) the Bank shall have received a certificate of the Secretary or Assistant Secretary of the Corporation certifying the names and true signatures of the officials of the Corporation authorized to sign this Agreement, the Fee Letter and the other documents to be delivered by the Corporation hereunder;

(m) a copy of the Remarketing Memorandum shall have been delivered by the Corporation, or the County on behalf of the Corporation, to the Bank;

(n) an opinion of counsel to the Bank dated the Date of Issuance and (i) addressed to the County, the Corporation, the Trustee and the Remarketing Agent (and upon which the applicable rating agencies may rely) to the effect that (A) the Bank is a national banking association validly existing under the laws of the United States of America, and is presently authorized to transact business in the United States of America and (B) the Letter of Credit has been duly executed and delivered by the Bank and constitutes a valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except as the

enforceability thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the bankruptcy, insolvency, liquidation or reorganization of, or other similar occurrence with respect to, the Bank or in the event of any moratorium or similar occurrence affecting the Bank and (ii) addressed to the County, the Corporation and the Remarketing Agent to the effect that the descriptions of this Agreement and the Letter of Credit set forth in the Remarketing Memorandum are accurate in all material respects;

(o) the following statements shall be true and correct on the Date of Issuance in the sole determination of the Bank, and the Bank shall have received a certificate signed by the Authorized Officer, dated the Date of Issuance, stating that:

(i) the representations and warranties of the Corporation and the County contained in this Agreement, the Corporation Related Documents and the County Related Documents and each certificate furnished or delivered by the Corporation and the County to the Bank pursuant hereto or thereto are true and correct on and as of the Date of Issuance as though made on and as of such date;

(ii) no "default" or "event of default" under any Corporation Related Document or County Related Document and no Default or Event of Default has occurred and is continuing or would result from the issuance of the Letter of Credit or the making of any Liquidity Advance or Term Loan;

(iii) the Bonds have been assigned, and the Bank shall have received rating letters indicating, ratings of "[AA-/A-1+]" by S&P and "[Aa3/P-1]" by Moody's;

(iv) except as set forth in the Remarketing Memorandum, there has been no material adverse change in the financial position, results of operation or prospects of the County since June 30, 2012;

(p) no law, regulation, ruling or other action of any Governmental Authority shall be in effect and no change in the interpretation or administration thereof shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement or the Letter of Credit or to prevent the County, the Corporation, the Trustee or the Remarketing Agent from fulfilling their respective obligations hereunder and under the Related Documents to which each such entity is a party;

(q) receipt by the Bank of evidence that Citigroup Global Markets Inc. is serving as the Remarketing Agent and that U.S. Bank National Association is serving as Trustee, in each case, as of the Date of Issuance;

(r) receipt by the Bank of a certificate of an authorized signatory of Citigroup Global Markets Inc. to the effect that Citigroup Global Markets Inc. is obligated to remarket the Bonds at rates up to and including the maximum rate permitted under the Indenture without regard to the rate of interest borne by Bank Bonds (or which would be borne by Bank Bonds were such Bonds to be purchased by the Bank with the proceeds of a Drawing); [IF THE REMARKETING AGENT IS UNWILLING TO DELIVER THIS CERTIFICATE, AN AMENDMENT OF THE REMARKETING AGREEMENT WILL BE NEEDED]

(s) receipt by the Bank of one or more CLTA title insurance policies or other appropriate forms of title policy that insure the Corporation's leasehold title to the Leased Premises and the County's leasehold interest in the Leased Premises, subject to customary endorsements, in an aggregate amount not less than the principal amount of the Bonds and subject to only such liens as are reasonably satisfactory to the Bank;

(t) receipt by the Bank of a certificate from the County that the insurance required by the Facilities Lease to be in effect is in full force and effect on the Date of Issuance;

(u) receipt by the Bank of a certificate of an Authorized Officer as to the current annual fair rental value of the Leased Premises, which certificate shall be reasonably satisfactory to the Bank;

(v) receipt by the Bank of a CUSIP number for the Bank Bonds; and

(w) receipt by the Bank, on or prior to the Date of Issuance, of such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request.

Section 2.3 Request to Extend Availability Period. Not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the then current Stated Expiration Date, the County may, by written notice to the Bank (with a copy to the Bond Insurer), request that the Stated Expiration Date be extended. Following its receipt of such a request, the Bank, in its sole and absolute discretion (and after such due diligence (if any) as the Bank shall undertake), shall notify the County and the Trustee of its decision with respect to such request within 60 days of such receipt, together with any conditions thereto (including, without limitation, change in pricing), it being understood and agreed that the failure of the Bank to notify the County of any decision within such 60-day period shall be deemed to be a rejection of such request and the Bank shall not incur any liability or responsibility whatsoever to any Person by reason of its failure so to notify the County or as a result of its rejection of such request. If the Bank, in its sole discretion, elects to extend the Stated Expiration Date then in effect, the Bank shall deliver to the Trustee an amendment to the Letter of Credit designating the date to which the Stated Expiration Date is being extended. Such extension of the Stated Expiration Date shall be effective upon the Trustee's receipt of such amendment to the Letter of Credit, and thereafter all references in this Agreement to the Stated Expiration Date shall be deemed to be references to the date designated as such in the most recent amendment to the Letter of Credit delivered to the Trustee. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.3 may be extended in like manner.

Section 2.4 Liquidity Advances; Term Loans.

(a) Unless the commitment of the Bank to make Liquidity Advances hereunder shall have terminated in accordance with Section 8.2(b)(i), if the Bank shall honor payment of a Liquidity Drawing and such payment is not reimbursed by 3:00 p.m. (Los Angeles time) on the day such payment is made and the conditions of Section 2.4(b) are satisfied on such day, such payment shall constitute, and the Bank shall be deemed to have extended, a Liquidity Advance to the County on such day and in the amount of such Liquidity Drawing (each such

Liquidity Advance, a “Liquidity Advance” and, collectively, the “Liquidity Advances”), which Liquidity Advance shall be payable solely from Base Rental and Trust Amounts. Subject to the abatement provisions set forth in the Facilities Lease and the fair rental value limitations set forth in Section 2.4(c) and the Facilities Lease, unless an unreimbursed Liquidity Advance becomes a Term Loan in accordance with Section 2.4(b), the County promises to pay to the Bank the unpaid principal of each Liquidity Advance no later than the Liquidity Advance Maturity Date therefor. The County also promises to pay to the Bank interest on each Liquidity Advance from the date of incurrence thereof to and including the date such Liquidity Advance is paid in full, at a rate per annum equal to the Liquidity Rate from time to time in effect, payable on the first Business Day of each month, on each date on which such Liquidity Advance is prepaid, on each date on which the Bank Bonds purchased with the proceeds of the Liquidity Drawing evidenced by such Liquidity Advance are remarketed and, unless such unreimbursed Liquidity Advance becomes a Term Loan in accordance with Section 2.4(b), on the Liquidity Advance Maturity Date therefor.

(b) Notwithstanding Section 401(m) of the Indenture, in the event that (i) at 12:00 A.M. on the Liquidity Advance Maturity Date for a Liquidity Advance or (ii) at the time a Liquidity Drawing is honored by the Bank in the case of a Liquidity Drawing that results in the termination of the Letter of Credit, (A) the representations and warranties of the County contained in Article V hereof are correct, (B) no Event of Default has occurred and is continuing, (C) the commitment of the Bank to make Term Loans hereunder shall not have terminated in accordance with Section 8.2(b)(i) and (D) such Liquidity Advance or Liquidity Drawing remains unpaid, the unpaid principal amount of such Liquidity Advance or the amount of the Liquidity Drawing shall be converted into, and the Bank shall be deemed to have extended to the County, a term loan at such time (each such term loan being referred to herein as a “Term Loan”) and the Liquidity Advance shall be deemed paid. Subject to the abatement provisions set forth in the Facilities Lease and the fair rental value limitations set forth in Section 2.4(c) and the Facilities Lease, so long as no acceleration of Term Loans has occurred pursuant to Section 8.2(b)(ii), the principal of each Term Loan shall be repaid, in approximately equal semi-annual installments, commencing on the Term Loan Amortization Start Date and shall be repaid on each subsequent Term Loan Amortization Payment Date thereafter, with the last such payment being due and payable on the Term Loan Amortization End Date. The County also promises to pay to the Bank interest on the principal of each unreimbursed Term Loan from the Term Loan Commencement Date therefor until the date such Term Loan is paid in full, at a rate per annum equal to the Term Loan Rate from time to time in effect, payable on the first Business Day of each month and on each Term Loan Amortization End Date therefor.

(c) Subject to the abatement provisions and fair rental value limitations of the Facilities Lease, following the making or deemed making of a Term Loan and for so long thereafter as any such Term Loan shall remain unpaid, the County and the Corporation shall increase the Base Rental payable under the Facilities Lease so that Base Rental for each period shall equal the lesser of (i) the sum of the Fair Rental Value and the Cumulative Excess Base Rental Amount for such period and (ii) the Obligations due in such period together with all other amounts in respect of Bonds that are required to be paid in such period pursuant to the Indenture and any other agreement.

(d) The County and the Corporation agree, at the Bank’s written request, to redetermine or cause to be redetermined, the Fair Rental Value at any time and from time to time

during any period in which a Term Loan is outstanding, provided that the County and the Corporation shall not be required to redetermine the Fair Rental Value more than once during any twelve (12) month period. Such redetermination shall be by any method that the Bank may reasonably request, including an appraisal conducted by an appraiser licensed as a "certified general" appraiser by the California Office of Real Estate Appraisers and shall be at the sole expense of the County. Absent a written request of the Bank to redetermine the Fair Rental Value during any period in which a Term Loan is outstanding, neither the County nor the Corporation shall redetermine the Fair Rental Value without the Bank's prior written consent; provided, however, that nothing contained in this Section 2.4(d) shall prevent the County or the Corporation from redetermining the Fair Rental Value in connection with determining the insured value of the Project or in connection with abatement of Base Rental resulting from damage to, or loss of, the Project or a portion thereof. In the event that any such redetermination shall establish that the current Fair Rental Value is greater than the Fair Rental Value previously determined, then the Fair Rental Value shall be increased by the amount of such excess. If the aggregate amount of Facilities Lease Obligations due in any rental period shall exceed the sum of the Fair Rental Value plus Cumulative Excess Base Rental Amount for such rental period, then each Facilities Lease Obligation shall be reduced pro rata based upon the amount of such Facilities Lease Obligation due in such period. Obligations which remain unpaid as a result of any such reduction are hereinafter referred to as "Deferred Obligations". Deferred Obligations shall be deferred until such time as the sum of the Fair Rental Value plus the Cumulative Excess Base Rental Amount for a rental period exceeds the aggregate amount of all Facilities Lease Obligations due in such rental period, whereupon excess rental value shall be applied to reduce Deferred Obligations. The County and the Corporation agree to extend the term of the Facilities Lease in accordance with the terms thereof if, on the stated expiration thereof, Obligations remain owing to the Bank.

(e) If for any reason a Liquidity Advance has not been paid (or deemed paid) in full by the applicable Liquidity Advance Maturity Date or a Term Loan has not been paid in full by the applicable Term Loan Amortization End Date, the County and the Corporation shall as soon as practicable thereafter use its best efforts to cause the Bonds to be converted to bear interest at a fixed interest rate to maturity.

(f) Nothing contained in this Section 2.4 shall result in, or be construed to require, an acceleration of Rental Payments under the Facilities Lease and nothing contained in this Section 2.4 is intended to abrogate abatement of Base Rental in accordance with the terms of the Facilities Lease.

Section 2.5 Prepayments.

(a) The Corporation, the County, the Trustee or the Bond Insurer on any Business Day, upon at least two Business Days' notice to the Bank, may prepay the outstanding amount of any Liquidity Advance or Term Loan, in whole or in part in amounts aggregating \$25,000 and multiples of \$5,000 in excess thereof, with accrued interest to the date of such prepayment on the amount prepaid. In the event the County partially prepays a Term Loan, such prepayment shall be applied to remaining semiannual principal payments in reverse chronological order.

(b) Upon the remarketing of Bank Bonds, the County shall cause the Trustee to deliver to the Bank all proceeds thereof. If any Differential Interest Amount exists with respect to Bank Bonds upon the remarketing thereof, the County shall deliver such Differential Interest Amount to the Trustee on the date such Bank Bonds are to be remarketed. If the Bank receives proceeds from the remarketing of Bank Bonds together with any Differential Interest Amount owing thereon, the Bank shall (i) apply such proceeds and Differential Interest Amount (with interest being paid before principal) to the payment of the principal of, and interest on, the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing the proceeds of which were used to purchase such Bank Bonds and (ii) reinstate the Letter of Credit in accordance with its terms.

Section 2.6 Reimbursement of Drawings. Except as otherwise provided in Section 2.4, the County or the Trustee on behalf of the County shall pay the Bank as reimbursement for each Drawing honored by the Bank a sum equal to the full amount of such Drawing no later than 1:00 p.m. (Los Angeles time) on the date such Drawing is honored.

Section 2.7 Evidence of Obligations. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the reimbursement obligations of the County resulting from each Drawing made from time to time under the Letter of Credit, the making of Liquidity Advances and Term Loans and the amounts of principal and interest payable and paid from time to time hereunder. Such account or accounts shall be made available to the County during regular business hours upon the reasonable request of the County to the Bank. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations of the County therein recorded.

Section 2.8 Security. Subject to the application in accordance with the terms of the Indenture of Base Rental and amounts on deposit in the Credit Facility Payment Account and the Credit Facility Revenue Account (each as used in the Indenture) (collectively, "Trust Amounts"), the Corporation and the County hereby irrevocably grant a lien on and a security interest in, and pledges, Base Rental and Trust Amounts to the Bank (for the benefit of the Bank and any Affiliate of the Bank to whom any Obligation is at any time owed), which lien on, security interest in and pledge of Base Rental and Trust Amounts is on parity with the pledge of Base Rental and Trust Amounts set forth in the Indenture, to secure the timely payment of all Obligations and to secure the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the Related Documents to which the Bank or any Affiliate thereof is a party. This lien on and security interest in and pledge of Base Rental and Trust Amounts shall constitute a valid pledge of and charge and lien upon Base Rental and Trust Amounts, shall immediately attach and be effective, binding, and enforceable against the Corporation and the County, its respective successors, purchasers of any Base Rental and Trust Amounts; creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the lien on, security interest in and pledge of Base Rental and Trust Amounts and without the need for any physical delivery, recordation, filing or further act.

Section 2.9 Limited Recourse Obligations. The Obligations shall not be payable from any income, receipts or revenues of the Corporation and the County other than Base Rental and

Trust Amounts, nor shall the Obligations constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the property or upon any of the income, receipts, or revenues of the Corporation and the County, except Base Rental and Trust Amounts. In the event Base Rental and Trust Amounts are insufficient to pay all Obligations in full, the County will, subject to compliance with applicable debt limitations, consider seeking and utilizing, but shall not be obligated to seek or utilize, additional sources of funds and properties legally available to it in order to reimburse the Bank in full for all unpaid Obligations.

Section 2.10 Bank Bonds.

(a) Bonds purchased by the Bank, or by the Trustee on behalf of the Bank with the proceeds of a Liquidity Drawing shall constitute Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Liquidity Rate and/or the Term Loan Rate and have other characteristics of Bonds set forth in the Indenture. Upon purchasing Bank Bonds, the Bank shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Owners, except to the extent such rights and privileges conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Bank Bonds, the Bank shall be recognized by the Corporation, the County and the Trustee as the true and lawful owner of such Bank Bonds, free from any claims, liens, security interests, equitable interests and other interests of the County, except as such interests might exist under the terms of the Bank Bonds with respect to all Owners.

(b) So long as the Bonds are issued in book-entry form and held by the Trustee as custodian of DTC as part of DTC's fast automated transfer program ("FAST Eligible Bonds"), concurrent with the Trustee's receipt of the purchase price (or portion thereof) for each purchase of Bonds by the Bank hereunder, the Trustee shall, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, make a direct registration electronic book-entry (A) crediting the DTC account designated by the Bank as its account in which to hold Bank Bonds purchased by it (the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the Bank Bond CUSIP Number; and (B) debiting the book-entry account of DTC for the Bonds (the "DTC Book-Entry Account"), thereby reducing the principal balance of the global certificate representing the Bonds by the principal amount of the Bonds purchased hereunder by the Bank. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of the Indenture and upon the Trustee's receipt from the Remarketing Agent and/or the County of the proceeds of such remarketing, the Trustee shall, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account by the principal amount of the Bonds so remarketed; and (B) crediting the DTC Book-Entry Account thereby increasing the principal balance of the global certificate representing the Bonds by the principal amount of the Bonds so remarketed. The Trustee acknowledges that it is familiar with the procedures and requirements set forth in the notice from DTC, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008 (as amended, the "DTC Notice") which, as of the date hereof, must be followed in the event that any of the Bonds that are tendered for purchase become Bank Bonds. The Trustee agrees that, if any of the Bonds become Bank Bonds and if the DTC Notice is in effect at such time, at the expense of the

County, the Trustee will follow the DTC procedures set forth in the DTC Notice, including the withdrawal from DTC of any Bonds that have become Bank Bonds and the simultaneous deposit with DTC of the Bank Bonds, as identified by the Bank Bond CUSIP Number, to be held in the Bank Book-Entry Account. The Bank agrees that it shall not request the Trustee to, and the Trustee shall not be required to, deviate from the DTC procedures set forth in the DTC Notice, to the extent that the DTC Notice is in effect. To the extent that, following any amendment of the DTC Notice, the procedures and requirements therein should become inconsistent with any aspect of the provisions in this subsection (b), the Trustee, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of this subsection (b) so as to eliminate such inconsistency.

(c) If the Bonds are no longer FAST Eligible Bonds, concurrent with the Trustee's receipt of the purchase price for each purchase of Bonds by the Bank hereunder, the Trustee shall register each Bank Bond in the name of the Bank and shall cause the Trustee to hold each Bank Bond as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the direction of the Bank for the exclusive benefit of the Bank and that the Custodian is not and shall not at any time be subject in any manner or to any extent to the direction or control of the County, the Corporation or any other Person with respect to Bank Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the County permit the Custodian to deliver possession of Bank Bonds to, or cause Bank Bonds to be registered in the name of, the County, the Corporation, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement and the Indenture or otherwise upon the written instructions of the Bank (as long as such instructions are not inconsistent with the Indenture). If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank. Upon the remarketing of any Bank Bonds and the Trustee's receipt from the Remarketing Agent and/or the County of the proceeds of such remarketing, the Custodian shall release Bank Bonds in a principal amount equal to the principal amount of Bonds so remarketed to the Remarketing Agent or the County, as the case may be, in accordance with the terms of the Indenture. The Custodian shall be entitled to rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to Bank Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to Bank Bonds. If the Custodian is holding Bank

Bonds, the Custodian shall, at its own expense, to maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

ARTICLE III PAYMENT TERMS

Section 3.1 Bank Rights to Payments. The Corporation, or the County, on behalf of the Corporation, shall pay to the Bank the fees, expenses and payments described in the Fee Letter at the times and in the amounts specified in the Fee Letter. Any references to fees, expenses and payments owed to the Bank hereunder without specific reference to the Fee Letter shall be read so as to include the Fee Letter, which is hereby incorporated by reference as if set forth in its entirety.

Section 3.2 Increased Costs and Reduced Return.

(a) If the Bank determines that any Change in Law affecting the Bank or its Parent regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the capital or liquidity of the Bank or its Parent as a consequence of this Agreement, the Fee Letter or the Letter of Credit to a level below that which the Bank or its Parent would have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Parent with respect to capital adequacy), then from time to time, within forty-five (45) days after written demand by the Bank, the County shall pay to the Bank or its Parent, such additional amount or amounts as will compensate the Bank or its Parent for such reduction in the rate of return on the capital or liquidity of the Bank or its Parent.

(b) If any Change in Law:

(i) Shall subject the Bank to any tax, duty, assessment or other charge with respect to the Letter of Credit or the commitment of the Bank to make Liquidity Advances and/or Term Loans, or shall change the basis of taxation of payments to the Bank of reimbursements of Drawings and payments of Liquidity Advances and/or Term Loans or in respect of any other amounts due under this Agreement or the Fee Letter (except for changes in the rate of tax on the overall net income of the Bank); or

(ii) Shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Bank or shall impose on the Bank or on the United States market for letters of credit any other condition affecting its obligation to issue or maintain the Letter of Credit or the Bank's commitment to make Liquidity Advances and/or Term Loans or in respect of Liquidity Advances and/or Term Loans made by the Bank;

and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining the Letter of Credit or the Bank's commitment to make Liquidity Advances and/or Term Loans or Liquidity Advances and/or Term Loans made by the Bank or to reduce the amount of any sum

received or receivable by the Bank under this Agreement, the Fee Letter or the Letter of Credit, within forty-five (45) days after written demand by the Bank, the County agrees to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction.

(c) Failure or delay on the part of the Bank or any Participant to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's or such Participant's right to demand such compensation. Notwithstanding anything contained in this Section, the County shall have no liability to the Bank or any Participant or the Bank's or such Participant's parent or holding company for any increased costs, increased capital or reduction in rate of return to the extent incurred by or imposed on the Bank or any Participant or the Bank's or such Participant's parent or holding company more than one hundred eighty (180) days prior to the date the above-described written demand is given to the County with respect thereto (the "Cut-Off Date"), except where such increased costs, increased capital or reduction in rate of return apply to the Bank or Participant or the Bank's or such Participant's parent or holding company retroactively to a date prior to the Cut-Off Date. Each demand for compensation pursuant to this Section shall be accompanied by a certificate of the Bank or such Participant in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error, as against all other Persons, including the County and the Corporation. In determining any compensation pursuant to this Section, the Bank or such Participant may use reasonable averaging and attribution methods, reasonable estimates, assumptions, allocations and the like that the Bank or such Participant in good faith determines to be appropriate.

(d) The agreements in this Section shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

Section 3.3 Overdue Payments; Default Pricing; Excess Interest.

(a) Overdue principal and overdue interest in respect of each Drawing, each Liquidity Advance, Term Loan and any other overdue amount payable by the County hereunder shall bear interest at a per annum rate equal to the Default Rate. During the continuance of an Event of Default, each Drawing, each Liquidity Advance, Term Loan and any other amount payable by the County hereunder shall bear interest at a rate per annum equal to the Default Rate. Interest shall be calculated on the basis of a year consisting of 365/366 days and actual days elapsed. Interest payable at the Default Rate shall be payable upon demand.

(b) Interest not paid when due pursuant to Section 3.3(a) above, shall, to the extent permitted by law, be compounded on a monthly basis and added to principal.

(c) If the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then, subject to Section 2.4(c), (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the County shall pay to the Bank, with respect to amounts then

payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the County shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 3.4 Payments.

(a) Method and Place of Payment. Except as otherwise specifically provided herein, all amounts payable under this Agreement shall be made to the Bank not later than 1:00 p.m. Los Angeles time on the date when due and shall be made in Dollars in immediately available funds. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension. Amounts received later than 1:00 p.m. Los Angeles time on a Business Day but before the Bank's close of business on such Business Day shall be deemed received on or before 1:00 p.m. Los Angeles time on the next Business Day.

(b) Net Payments. All payments made by the Corporation, or the County on behalf of the Corporation, hereunder and under the Fee Letter shall be made without setoff, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (but excluding, except as provided below, any tax imposed on or measured by the overall net income of the Bank pursuant to the laws of the jurisdiction (or any political subdivision or taxing authority thereof or therein) under which the Bank is organized) and all interest, penalties or similar liabilities with respect thereto (collectively, "Taxes"). If the County shall be required by any law, rule or regulation to deduct any Taxes from or in respect of any sum payable under this Agreement or any Related Document to the Bank, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County shall make such deductions, (iii) the County shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws, rules and regulations and (iv) within forty-five (45) days after the date of such payment, the County shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof. The County will to the maximum extent permitted by applicable law indemnify and hold harmless the Bank, and reimburse the Bank upon its written request, for the amount of any Taxes so levied or imposed and paid by the Bank. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

ARTICLE IV
NATURE OF OBLIGATIONS; INDEMNITY

Section 4.1 Obligations of the County and the Corporation. The obligations of the County and the Corporation under this Agreement shall be primary, absolute, independent, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement, including without limitation the following circumstances:

(a) Any lack of validity or enforceability of the Letter of Credit, the Related Documents or any other agreement or instrument relating to any of the above;

(b) Any amendment or waiver of, or any consent to or departure from, any provision of any of the Related Documents, except for any waiver or consent granted by the Bank;

(c) The existence of any claim, setoff, defense or other rights that the County or the Corporation may have at any time against the Trustee, any beneficiary or transferee of the Letter of Credit (or any Person for whom the Trustee, any such beneficiary or any such transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction;

(d) Any breach of contract or other dispute between the Corporation, the County and the Trustee, any beneficiary or transferee of the Letter of Credit (or any Person for whom the Trustee, any such beneficiary or any such transferee may be acting), any Owner, the Bank or any other Person;

(e) Any demand, statement or any other document presented under the Letter of Credit or hereunder proving to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) Payment by the Bank under the Letter of Credit against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit;

(g) Any non-application or misapplication by the Trustee, any paying agent or the tender agent or otherwise of the proceeds of any Drawing; or

(h) The failure by the Bank to honor any Drawing under the Letter of Credit or to make any payment demanded under the Letter of Credit on the grounds that the demand for such payment does not conform strictly to the terms and conditions of the Letter of Credit.

Section 4.2 Indemnification.

(a) To the maximum extent permitted by applicable law, the County agrees to indemnify, save and hold harmless each Bank-Related Person from and against: (i) any and all claims, demands, actions or causes of action that (x) are asserted against any Bank-Related Person by any Person relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Corporation or the County or any of their elected or appointed officials, directors, officers or employees or any plant, property or

equipment of the County or the Corporation; and/or (y) may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Bank-Related Person arising out of or relating to this Agreement or any Related Agreement, the use or contemplated use of the proceeds of any Drawing, any Liquidity Advance, any Term Loan or the relationship of the County, the Corporation and the Bank under this Agreement or any Related Document; (ii) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (i) above; and (iii) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Bank-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Bank-Related Person is a party to such claim, demand, action, cause of action or proceeding; provided that no Bank-Related Person shall be entitled to indemnification for any claim determined by a final decision of a court of competent jurisdiction to have been caused by such Bank-Related Person's own gross negligence or willful misconduct or for any loss asserted against it by another Bank-Related Person. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

(b) To the maximum extent permitted by applicable law, the County shall also indemnify and hold harmless the Bank from any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement and the Related Documents or the issuance of the Letter of Credit. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

Section 4.3 Obligations and Liability of the Bank.

(a) Except as provided in this Agreement, the Bank shall not be obligated to issue any further credits, to cure any defaults under any Related Document or otherwise, or in any other manner to extend any financial consideration or accommodation to the County or the Corporation.

(b) The Bank shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement or otherwise available to it by law or agreement) unless the Bank shall have signed a written waiver or release. Delay or failure to act on the Bank's part shall not constitute a waiver of or otherwise preclude enforcement of any of their rights and remedies. All of the Bank's rights and remedies shall be cumulative and may be exercised separately or concurrently. The Bank need not resort to any particular right or remedy before exercising or enforcing any other, and the Bank's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

(c) Neither the Bank nor any of its officers, directors, employees or agents shall be liable for or responsible for any acts or omissions of the Trustee, any transferee of the Letter of Credit, the Remarketing Agent, any paying agent or tender agent for the Bonds with respect to its use of the Letter of Credit and the application of proceeds drawn thereunder.

Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for:

(i) The use that may be made of the Letter of Credit or for any acts or omissions of the Trustee or any transferee of the Letter of Credit in connection therewith;

(ii) The form, validity, sufficiency, accuracy or genuineness of documents, or of any endorsements thereon, even if such documents should prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, so long as the Bank was not grossly negligent or guilty of willful misconduct as determined by a court of competent jurisdiction;

(iii) Payment by the Bank against presentation of documents that do not comply strictly with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit;

(iv) The validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign the Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(v) Errors, omissions, interruptions or delays in transmission or delivery of any messages by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any Drawings under the Letter of Credit;

(vi) Errors in interpretation of technical terms; or

(vii) Any consequences arising from causes beyond the control of the Bank, including, without limitation, any Government Acts;

provided that, notwithstanding anything in the preceding clauses (i) through (vii) to the contrary, the County and the Corporation shall have a claim against the Bank, and the Bank shall be liable to the County and the Corporation, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the County and/or the Corporation that the County and/or the Corporation, as the case may be, proves were caused by (A) the Bank's failure to pay under the Letter of Credit after the presentation to it by the Trustee of a sight draft and certificate strictly complying with the terms and conditions of the Letter of Credit or (B) the Bank's willful or grossly negligent payment under the Letter of Credit as determined by a court of competent jurisdiction.

In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF COUNTY

The County represents and warrants as follows:

Section 5.1 Existence and Power. The County is a political subdivision of the State organized, and existing under and by virtue of the constitution and laws of the State, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to conduct its business as presently conducted and to enter into contracts such as this Agreement and the County Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the County Related Documents.

Section 5.2 Authorization; Contravention; Approvals. The execution, delivery and performance by the County of this Agreement and the County Related Documents and the other documents contemplated hereby and thereby are within the powers of the County, have been duly authorized by all necessary actions and (i) do not contravene any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the County and (ii) except as provided in or contemplated by this Agreement and the County Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the County. The County is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent the County from performing its obligations under this Agreement or the County Related Documents. The County is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction or the County Related Documents that would prevent or is reasonably likely to prevent the County from performing its obligations under this Agreement or the County Related Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the County) for the due execution, delivery and performance by the County of this Agreement and the County Related Documents.

Section 5.3 Enforceability. This Agreement and the County Related Documents are legally valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; and (iii) the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against counties in the State.

Section 5.4 Litigation. Except as disclosed in the Remarketing Memorandum, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, regulatory body, administrative tribunal or arbitrator pending or, to the best knowledge of the County, threatened, against or directly involving the County, affecting the existence of the County, the title of any officials to their respective offices, the Leased Premises or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any County Related Document, or in any way contesting or affecting the validity or enforceability of the Bonds, this Agreement, any County Related Document or contesting the tax-exempt status of the Bonds, or contesting in any way the completeness or accuracy of the Remarketing Memorandum or any supplements or amendments thereto, or contesting the powers of the County or any

authority for the issuance of the Bonds, the execution and delivery of this Agreement or the County Related Documents, nor, to the best, knowledge of the County, is there any basis therefor, which, if determined adversely to the County (i) would adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under, this Agreement or any County Related Documents, (ii) would, in the reasonable opinion of the County, have a material adverse effect on the business, financial position or results of operations of the County or (iii) would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest from State personal income taxes.

Section 5.5 Financial Information.

(a) The audited financial statements of the County included in the 2012 CAFR, true and correct copies of which have heretofore been delivered or made available to the Bank, fairly present, in conformity with generally accepted accounting principles the financial position of the County and its results of operations and changes in financial position at the dates and for the periods indicated.

(b) Except as set forth in the Remarketing Memorandum, since June 30, 2012, there has been no material adverse change in the business, financial position or results of operations of the County.

(c) Except (i) as reflected in the financial statements included in the 2012 CAFR, (ii) as set forth in the Remarketing Memorandum and (iii) for the County's obligations set forth in this Agreement and the County Related Documents, there are as of the date hereof no liabilities or obligations with respect to the County of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which individually or in the aggregate would be material to the County. The County does not know of any basis for the assertion against the County of any liability or obligation of any nature whatsoever that is not fully reflected in the financial statements included in the 2012 CAFR which, in the aggregate, could be material to the County.

Section 5.6 Disclosure. No written information furnished by the County to the Bank in connection with this Agreement (except information which has been superseded by subsequent information provided by the County and except for financial statements of the County) includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in such information and all other written information delivered by the County, when taken together and in light of the circumstances in which they were made, not misleading in any material respect. Except for information contained in the Remarketing Memorandum under the headings ["THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT"], ["THE BANK"] and ["BOND INSURANCE"], as to which no representation is made, the Remarketing Memorandum is, and any supplement or amendment to the Remarketing Memorandum shall be, accurate in all materials respects for the purpose for which its use is, was or shall be, authorized; and except for information contained in the Remarketing Memorandum under the previously mentioned captions, as to which no representation is made, the Remarketing Memorandum does not, and any such supplement or amendment will not, contain any untrue statement of a material fact or omit to state any material

fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading.

Section 5.7 Compliance With Laws. Except as disclosed in the Remarketing Memorandum, the County is in compliance with all applicable laws, including all consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings required by any Governmental Authority having proper jurisdiction over the County, the noncompliance with which could reasonably be expected to have a material adverse effect on the assets, financial condition, the Leased Premises, business or operations of the County or its ability of the County to perform its obligations under the County Related Documents.

Section 5.8 Environmental Matters. The County has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case relating to the Leased Premises, which non-compliance or remedial action could have a material adverse effect on the assets, financial condition, the Leased Premises, business or operations of the County or its ability of the County to perform its obligations under the County Related Documents.

Section 5.9 Regulations U and X. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Bonds or Drawings will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 5.10 Tax-Exempt Status. The County has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest from State personal income taxes.

Section 5.11 Security. The Indenture creates a valid security interest in the funds and accounts created under the Indenture and the moneys, including, without limitation, Base Rental on deposit therein, as security for the punctual payment of the interest and principal due with respect to the Bonds and all Obligations. All action necessary to create a first and exclusive lien on such funds and accounts and on moneys on deposit therein, including Base Rental, have been duly and validly taken. Once appropriated for a rental period, Rental Payments for such rental period are payable by the County from its general fund.

Section 5.12 Rental Payments. The Assignment Agreement validly assigns to the Trustee all of the rights of the Corporation to receive Base Rental as security for (a) the punctual payment of interest and principal due with respect to the Bonds and (b) to reimburse any Credit Facility Provider (as defined in the Indenture) for payment in respect of the punctual payment of interest and principal due with respect to the Bonds. All actions necessary to create a first and exclusive right to Base Rental have been duly and validly taken.

Section 5.13 Fair Rental Value. The total principal component of Base Rental due under the Facilities Lease and the total amount due with respect to all bonds, certificates of participation or any other obligation supported by or based on the fair rental value of the Leased Premises do not exceed the current or projected fair rental value of the Leased Premises and the total principal and interest due with respect to the Bonds and the Obligations do not exceed the total Base Rental due under the Facilities Lease.

Section 5.14 Title. The County has good and insurable fee title to the Leased Premises. Each item of Leased Premises is an essential asset of the County necessary to serve the needs of the County. The County believes that at all times while any Rental Payments or any obligation of the County hereunder remains unpaid, each item of the Leased Premises will remain an essential asset of the County.

Section 5.15 Constitutional Matters. There is no amendment, or, to the best knowledge of the County, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial or administrative decision interpreting any of the foregoing, and no action has been passed the Board of Supervisors of the County, the effect of which could reasonably be expected to materially adversely affect the Leased Premises, the Bonds, any holder thereof in its capacity as such, this Agreement, the Rental Payments or the ability of the County to make Rental Payments.

Section 5.16 No Sovereign Immunity. The County is subject to civil and commercial law in respect of its obligations under this Agreement and the County Related Documents. The County does not enjoy any right of immunity in respect of such obligations on the grounds of immunity (sovereign or otherwise) from jurisdiction in any court or from setoff or any legal process.

Section 5.17 No Usury. The obligations of the County under this Agreement are not subject to any law, rule or regulation of the State prescribing a maximum rate of interest.

Section 5.18 Solvency. The County is able to pay its debts and satisfy its liabilities as they come due, is solvent and has not made any assignment for the benefit of creditors.

Section 5.19 Incorporation of Representations and Warranties by Reference. The County hereby makes every representation and warranty made by it in any County Related Document, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any such County Related Document and no termination or replacement of any such County Related Document shall be effective to amend, terminate or replace such representations and warranties or defined terms as incorporated by reference therein without the prior written consent of the Bank.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

The Corporation represents, warrants and covenants as follows:

Section 6.1 Existence and Power. The Corporation is a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to conduct its business as presently conducted and to enter into contracts such as this Agreement and the Corporation Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the Corporation Related Documents.

Section 6.2 Authorization; Contravention; Approvals. The execution, delivery and performance by the Corporation of this Agreement and the Corporation Related Documents and the other documents contemplated hereby and thereby are within the powers of the Corporation, have been duly authorized by all necessary actions and (i) do not contravene the articles of incorporation or bylaws of the Corporation or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the Corporation and (ii) except as provided in or contemplated by this Agreement and the Corporation Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the Corporation. The Corporation is not in violation of or in default in any respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction or the Corporation Related Documents. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the Corporation) for the due execution, delivery and performance by the Corporation of this Agreement and the Corporation Related Documents.

Section 6.3 Enforceability. This Agreement and the Corporation Related Documents, and other documents contemplated hereby and thereby to which the Corporation is a party or by which it is bound are legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

Section 6.4 Litigation. Except as disclosed in the Remarketing Memorandum, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, regulatory body, administrative tribunal or arbitrator pending or, to the best knowledge of the Corporation, threatened, against or directly involving the Corporation, affecting the existence of the Corporation, the title of any officials to their respective offices, the Leased Premises or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Corporation Related Document, or in any way contesting or affecting the validity or enforceability of the Bonds, this Agreement, any Corporation Related Document or contesting

the tax-exempt status of the Bonds, or contesting in any way the completeness or accuracy of the Remarketing Memorandum or any supplements or amendments thereto, or contesting the powers of the Corporation or any authority for the issuance of the Bonds, the execution and delivery of this Agreement or the Corporation Related Documents, nor, to the best, knowledge of the Corporation, is there any basis therefor, which, if determined adversely to the Corporation would adversely affect the validity or enforceability of, or the authority or ability of the Corporation to perform its obligations under, this Agreement or any Corporation Related Documents.

Section 6.5 Rental Payments. The Assignment Agreement validly assigns to the Trustee all of the rights of the Corporation to receive Base Rental as security for (a) the punctual payment of interest and principal due with respect to the Bonds and (b) to reimburse any Credit Facility Provider (as defined in the Indenture) for payment in respect of the punctual payment of interest and principal due with respect to the Bonds. All actions necessary to create a first and exclusive right to Base Rental have been duly and validly taken. The Corporation acknowledges and agrees that all payments (including principal and interest) due hereunder in respect of Bank Bonds, Liquidity Advances and Term Loans shall be payable from Base Rental and all other Obligations shall constitute costs and expenses of the Corporation payable as Additional Rental.

Section 6.6 No Sovereign Immunity. The Corporation is subject to civil and commercial law in respect of its obligations under this Agreement and the Corporation Related Documents. The Corporation does not enjoy any right of immunity in respect of such obligations on the grounds of immunity (sovereign or otherwise) from jurisdiction in any court or from setoff or any legal process. To the extent that the Corporation has, or hereafter may acquire under any applicable law, any right to immunity from set-off or legal proceedings, on the grounds of governmental immunity, the Corporation hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of any contract claims arising under or related to this Agreement or any Corporation Related Document. It is specifically understood and agreed that nothing contained in this Agreement shall be construed as an express or implied waiver by the Corporation of its governmental immunity or the governmental immunity of the State with respect to actions which lie in tort or could lie in tort.

Section 6.7 Books and Records; Inspections. The Corporation will keep proper books of record and account in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the Corporation in conformity with generally accepted accounting principles. The Corporation will upon reasonable notice permit any Person designated by the Bank in writing to examine the books and financial records, if any, of the Corporation and make copies thereof or extracts therefrom.

Section 6.8 Maintain Existence. The Corporation will preserve and maintain its existence, rights and franchises as a nonprofit public benefit corporation duly organized and existing under the laws of the State and will not merge or combine with any other Person.

Section 6.9 Compliance with Laws. The Corporation will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the Corporation, noncompliance with which would materially adversely affect the ability of the Corporation to perform its obligations under this Agreement and the Corporation Related Documents.

Section 6.10 Compliance with Agreements. The Corporation will observe and perform all of its obligations under this Agreement and the Corporation Related Documents.

Section 6.11 Encumbrances. The Corporation will not create, or permit the creation of, any encumbrance against or affecting Rental Payments.

Section 6.12 Termination of Agreements. The Corporation will not, so long as any of the Obligations hereunder or the Bank Bonds remain unpaid, terminate (or attempt to terminate) the Bond Insurance Policy, the Assignment Agreement, the Site Lease, the Facilities Lease or the Indenture.

Section 6.13 Remedies Under the Facilities Lease. The Corporation will not seek, and will not permit the Trustee, to exercise any remedies under the Facilities Lease, including termination of the Facilities Lease, without the prior written consent of the Bank and the Bond Insurer.

Section 6.14 Abandonment. The Corporation will not consent to the abandonment, vacation or closure of the Leased Premises by the County or any significant portion thereof.

Section 6.15 Substitution; Transfer. The Corporation will not substitute (or agree to the substitution by the County of) other land or facilities for the Leased Premises or any portion thereof or release or transfer (or agree to the release or transfer by the County of) any portion of the Leased Premises, in each case, without the prior written consent of the Bank and the Bond Insurer.

Section 6.16 Incorporation of Representations, Warranties and Covenants by Reference. The Corporation hereby makes every representation, warranty and covenant made by it in any Corporation Related Document, which representations, warranties and covenants, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment to such representations, warranties, covenants or defined terms made pursuant to any such Corporation Related Document and no termination or replacement of any such Corporation Related Document shall be effective to amend, terminate or replace such representations, warranties and covenants or defined terms as incorporated by reference therein without the prior written consent of the Bank.

ARTICLE VII COVENANTS

Until the Letter of Credit has terminated on accordance with its terms and all Obligations of the County shall have been paid and performed in full, unless the Bank shall otherwise consent in writing, the County and the Corporation, to the extent applicable, agree that:

Section 7.1 Reports and Other Information. The County will furnish, or cause to be furnished, at the County's expense to the Bank:

(a) As soon as possible and in any event within five (5) Business Days after the occurrence of any Event of Default, a statement of the Authorized Officer setting forth details of such Event of Default and the action that the County proposes to take with respect thereto;

(b) As soon as available and in any event within 270 days after the end of each Fiscal Year of the County (commencing with the Fiscal Year ended June 30, 2013), a copy of the comprehensive annual financial report of the County for such year. Each comprehensive annual financial report of the County delivered pursuant to this Section 7.1(b) shall include a statement of net assets of the County as at the end of the applicable Fiscal Year, a balance sheet of governmental funds of the County as at the end of the applicable Fiscal Year, a statement of activities for the applicable Fiscal Year and a statement of revenues, expenditures and changes in fund balances of governmental funds for the applicable Fiscal Year, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the County and its governmental funds as of the end of the applicable Fiscal Year, the results of operations, and the changes in fund balances of the County for the applicable Fiscal Year then ended in conformity with generally accepted accounting principles;

(c) Simultaneously with the delivery of each set of financial statements referred to in clause (b) above, a certificate of an Authorized Officer stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that the County is taking or proposes to take with respect thereto;

(d) As soon as practicable and in any event within ten (10) Business Days after the County obtains actual knowledge of: (i) any litigation, arbitration or governmental proceeding pending against the County that challenges the County's ability to perform its obligations under this Agreement and/or the County Related Documents; (ii) any change in law or the interpretation thereof, which change materially adversely affects the County's ability to perform its obligations under this Agreement and/or the County Related Documents; (iii) any other event or condition causing a material adverse change in the County's ability to perform its obligations under this Agreement and/or the County Related Documents; or (iv) the destruction of any Leased Premises or any material damage to any such property that is not fully covered by casualty insurance, in each case a statement of the Authorized Officer of the County setting forth details describing the same and the steps being taken with thereto;

(e) As soon as available, and in any event within ten (10) Business Days following the adoption of the annual budget by the County, a certificate of an Authorized Officer confirming that the annual budget of the County has been duly adopted by the County and that such budget includes amounts estimated to be sufficient to pay all Rental Payments under the Facilities Lease during the next Fiscal Year;

(f) Promptly following its receipt thereof, a copy of any non-routine notice, certification, demand or other non-routine writing or communication from the Trustee or the Remarketing Agent or the Bond Insurer under or in connection with the Bonds or any of the other Related Documents;

(g) Promptly, notice of any event or circumstance which could permit the abatement in Base Rental due under the Facilities Lease;

(h) As soon as practicable, notice of any change in, or the withdrawal or suspension of, any Rating;

(i) As soon as available, copies of correspondence sent by the Securities and Exchange Commission or the Internal Revenue Service regarding the Bonds or any other general fund Debt of the County which could reasonably be expected to have an adverse effect upon the performance of the Obligations of the County under this Agreement or the County Related Documents;

(j) As soon as practicable but, in any event, within ten (10) Business Days after the adoption thereof any amendment, supplement or other modification to the Indenture, any County Related Documents and the Remarketing Memorandum, together with a copy of each such amendment, supplement or modification;

(k) From time to time, such additional information (including, without limitation, management letters) regarding the financial position, results of operations, business or prospects of the County as the Bank may reasonably request.

As and to the extent that the requirements described above can be satisfied by the posting of same on EMMA, the County and the Corporation shall be deemed to have satisfied the reporting requirements set forth above as long as posting occurs within the applicable time frame described above. The County shall use best efforts to notify the Bank of each such posting; provided, however, that the failure of the County to so notify the Bank shall not result in an Event of Default.

Section 7.2 Books and Records; Inspections. The County will keep proper books of record and account in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the County in conformity with generally accepted accounting principles. Unless required or permitted to do so by applicable law or generally accepted accounting principles, the County shall not modify or amend its accounting standards from those employed by the County on the Date of Issuance. The County will upon reasonable notice permit any Person designated by the Bank in writing to visit any of the properties of the County, including the Leased Premises, and to examine the books and financial records of the County and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the County with the principal officers of the County all at such reasonable times and as often as the Bank may reasonably request.

Section 7.3 Maintain Existence. The County will preserve and maintain its existence, rights and franchises as a county duly organized and existing under the laws of the State and will not merge, combine or consolidate with any other Person.

Section 7.4 Compliance with Laws. The County will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the County, noncompliance with which would materially adversely affect the ability of the County to perform its obligations under this Agreement and the County Related Documents.

Section 7.5 Taxes and Liabilities. The County shall pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, or upon any part thereof, before the same shall become in default, except those indebtednesses, obligations, taxes, assessments or governmental charges or levies which the County shall in good faith contest by proper legal proceedings if the County shall in all such cases have set aside on its books adequate reserves with respect thereto.

Section 7.6 Compliance with Agreements. The County will observe and perform all of its obligations under this Agreement and the County Related Documents.

Section 7.7 Investments. The County shall at all times comply with the provisions of Sections 5922(d), 53601 and 53635 of the California Government Code and its investment policy.

Section 7.8 Maintenance of Leased Premises. The County will maintain, preserve and keep the Leased Premises in good repair, working order and condition (ordinary wear and tear excepted) and will from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

Section 7.9 Insurance. The County will, and will cause the Corporation to, insure and keep insured the Leased Premises in accordance with the terms of the Facilities Lease.

Section 7.10 Environmental Laws. The County will, and will cause the Corporation to, comply in all material respects with the requirements of all federal, state and local environmental and health and safety laws, rules, regulations and orders applicable to or pertaining to the Leased Premises.

Section 7.11 Appropriation. The County covenants to take such action as may be necessary to include all Base Rental due under the Facilities Lease in its annual budgets and to make necessary annual appropriations for all Base Rental in accordance with the Facilities Lease. In addition, the County covenants to take such action as may be necessary to amend or supplement the budget appropriations for payments under the Facilities Lease and hereunder at any time and from time to time during any fiscal year in the event that the actual Base Rental paid in any fiscal year exceeds the pro rata portion of the appropriations then contained in the County's budget. The covenants on the part of the County contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in the Facilities Lease and in this Section 7.9 agreed to be carried out and performed by the County.

Section 7.12 Encumbrances. The County will not, and shall not permit the Corporation to, create, or permit the creation of, any encumbrance against or affecting the Base Rental other

than as set forth in the Indenture. The County shall defend and keep the Leased Premises free and clear of all Liens other than those permitted by the Facilities Lease.

Section 7.13 Rent Abatement. Except as provided in the Facilities Lease, the County will not seek or assert a claim for rent abatement under the terms of the Facilities Lease.

Section 7.14 Termination of Agreements. The County will not, and shall not permit the Corporation to, so long as any of the Obligations hereunder or the Bank Bonds remain unpaid, terminate the Site Lease, the Facilities Lease or the Indenture.

Section 7.15 Completion of Project; Abandonment. The County will not abandon, vacate or close the Leased Premises or any significant portion thereof.

Section 7.16 Substitution; Transfer. The County will not, and shall not permit the Corporation to, substitute other land or facilities for the Leased Premises or any portion thereof or transfer the Leased Premises, in each case, in each case, without the prior written consent of the Bank and the Bond Insurer.

Section 7.17 County Related Documents. The County will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the County Related Documents if such action could reasonably be expected to materially adversely affect the County's ability to perform its obligations under this Agreement and the County Related Documents or materially adversely affect the business, financial position or results of operations of the County.

Section 7.18 Additional Series of Bonds. The County will not, and shall not permit the Corporation to, enter into any supplement to the Facilities Lease that creates an additional series of Bonds without the prior written consent of the Bank unless such supplement is entered into solely in connection with the execution and delivery of Refunding Bonds.

Section 7.19 Swap Termination Payments. The County shall not enter into, and shall not permit the Corporation to enter into, any interest rate swap agreement or other interest rate hedging arrangement with respect to Outstanding Bonds or Refunding Bonds the termination payments of which are payable from Base Rental on parity with, or senior to, the principal and interest components of the Bonds or the principal of and interest on any Liquidity Advance or Term Loan.

Section 7.20 Restriction on Incorporation of Favorable Provisions in Other Bank Agreements. The County shall use its best efforts not to enter into any Bank Agreement or any amendment, modification or supplement thereto that contains a Most Favored Nations Provision. Notwithstanding the preceding sentence, should the County enter into a Bank Agreement which includes a Most Favored Nations Provision, this Agreement shall automatically be deemed to include a Most Favored Nations Provision as nearly identical as the context reasonably allows to the Most Favored Nations Provision in such Bank Agreement, which deemed inclusion shall occur immediately prior to the execution and delivery of such Bank Agreement. The County shall not enter into any Bank Agreement or any amendment, modification or supplement thereto which contains a "term-out" or "bullet" payment provision or mandatory redemption schedule that requires the payment or redemption of Debt of the County (i) in less than four (4) years, (ii)

in installments more frequent than semi-annual installments and/or (iii) in a single payment or in installment payments other than equal installments of principal or level payments of principal and interest over the amortization period ("Improved Payment Terms") without first offering to amend this Agreement to provide for Improved Payment Terms and, if the consent of any Person other than the Bank is required in order to amend this Agreement to include Improved Payment Terms, securing the consent of such Person.

Section 7.21 Trustee and Remarketing Agent. The County will not, and shall not permit the Corporation to, appoint or consent to the appointment of a successor Trustee without the prior written consent of the Bank, which consent will not be unreasonably withheld. If a new Trustee is appointed, the County shall cause the new Trustee to acknowledge in writing its acceptance of its duties and obligations under Section 2.10 hereof. The County will not permit the Remarketing Agent to remarket any Bonds (i) if an Event of Default shall have occurred and be continuing and the Bank shall have instructed the County not to permit the remarketing of such Bonds, or (ii) at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing. The County shall not remove the Remarketing Agent or appoint any successor thereto without the prior written consent of the Bank. If the Remarketing Agent fails to make efforts as required under the Remarketing Agreement to perform its duties under, and in accordance with the terms of, the Remarketing Agreement or if the Remarketing Agent fails to remarket Bank Bonds for thirty (30) consecutive calendar days, the County shall, at the written direction of the Bank, remove or cause the Corporation to remove the Remarketing Agent. If the Remarketing Agent is removed or resigns, the County shall, and shall cause the Corporation to, appoint a successor thereto in accordance with the terms of the Indenture and with the prior written consent of the Bank. Such appointment shall be made as soon as practicable and, in the case of resignation, no later than the resignation effective date. The County shall not, and shall not permit the Corporation to, enter into any Remarketing Agreement unless such Remarketing Agreement contains the following: (i) an agreement on the part of the Remarketing Agent to use its best efforts to remarket Bonds, including Bank Bonds, at rates up to and including the Maximum Rate; and (ii) a provision that requires that the Remarketing Agent's resignation shall not become effective until thirty (30) day's following the Remarketing Agent's delivery of written notice to the County, the Corporation and the Bank and, if the County and the Corporation have not appointed a successor Remarketing Agent by the end of such thirty (30) day notice period but continues to pay remarketing fees to the Remarketing Agent, the Remarketing Agent's resignation shall not become effective until the earlier of (A) the date on which a successor Remarketing Agent is appointed and (B) thirty (30) days from the expiration of such initial thirty (30) day notice period. Without limiting the preceding sentence, the County will not, and will not permit the Corporation to, enter into any successor Remarketing Agreement without the prior written consent of the Bank, which consent shall not be unreasonably withheld, unless such successor Remarketing Agreement contains provisions that are substantially the same as those contained in, and affords protection to the rights and interests of the Bank that is substantially the same as that afforded by, the predecessor Remarketing Agreement.

Section 7.22 Alternate Letter of Credit. The Corporation and the County agree that any termination of the Letter of Credit in whole or in part as a result of the provision of an Alternate Letter of Credit, the prepayment or defeasance of the Bonds or conversion of the interest rate mode of the Bonds to a mode not supported by the Letter of Credit will require, as a condition

thereto, that the Corporation and the County (or, in the case of the substitution of the Letter of Credit with an Alternate Letter of Credit, the issuer of the Alternate Letter of Credit) will provide funds on the date of such termination, which funds will be sufficient to pay in full at the time of termination of the Letter of Credit all Obligations due to the Bank hereunder.

Section 7.23 Best Efforts. Notwithstanding Section 401(m) of the Indenture, in the event (a) the Corporation and the County do not request an extension of the Availability Period prior to the then current Stated Expiration Date; or (b) the Bank denies or fails to respond to a request to extend the Availability Period; the Corporation and the County shall use their best efforts to secure an Alternate Letter of Credit for the Bonds, convert the Bonds to a mode of interest that does not require credit enhancement, prepay the Bonds or defease the Bonds, in any case prior to the expiration of the Letter of Credit.

Section 7.24 Return of Letter of Credit. The County shall, upon the occurrence of the Termination Date, cause the Trustee to surrender forthwith the Letter of Credit to the Bank for cancellation.

Section 7.25 Optional Redemption. The County will not, and will not permit the Corporation or Trustee to, mail a redemption notice in respect of a Bond that is to be optionally redeemed from the proceeds of a Drawing unless (i) all funds required to reimburse the Bank for such Drawing are on deposit with the Trustee on the mailing date, (ii) the Bank is satisfied that funds required to reimburse the Bank for such Drawing will be on deposit with the Trustee on the date such Drawing is to be made, (iii) such Bond is to be redeemed with the proceeds of Refunding Bonds for which the County shall have a firm commitment to purchase from an underwriter or other purchaser, or (iv) the optional redemption of such Bond is expressly conditioned on moneys sufficient to pay the redemption price thereof being available on the redemption date in the Redemption Account under the Indenture, and the notice of such redemption includes such condition, all as provided in Section 608 of the Indenture. In addition, the County will not permit, nor cause the optional prepayment of, any Bond (other than Bank Bonds) prior to the prepayment of Bank Bonds and paying all amounts then due and payable to the Bank hereunder and under the Indenture.

Section 7.26 Remarketing Memorandum. The County shall not change any reference to the Bank in the Remarketing Memorandum without the Bank's prior written consent thereto.

Section 7.27 Use of Proceeds; Regulation U and X. The County will use the proceeds of the Bonds solely as provided for in the Indenture. The County shall ensure that the proceeds of Drawings are used solely to pay the principal and interest components, the prepayment price and the purchase price of the Bonds provided that the Bonds are not insured or guaranteed by a financial guaranty. The County will not permit any proceeds from any Drawing to be used for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System).

Section 7.28 Ranking of Obligations. The County shall not take any action that would result in the Obligations not ranking at least *pari passu* in right of payment with all obligations of the Corporation and the County to the other creditors that are payable from general fund revenues.

Section 7.29 Maintenance of Tax-Exempt Status of the Bonds. The County will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of such interest from State personal income taxes.

Section 7.30 No Sovereign Immunity. To the extent that the County has, or hereafter may acquire under any applicable law, any right to immunity from set-off or legal proceedings, on the grounds of governmental immunity, the County hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of any contract claims arising under or related to this Agreement or any County Related Document. It is specifically understood and agreed that nothing contained in this Agreement shall be construed as an express or implied waiver by the County of its governmental immunity or the governmental immunity of the State with respect to actions which lie in tort or could lie in tort.

Section 7.31 Incorporation of Covenants by Reference. The County, by this reference, hereby incorporates into this Agreement those covenants and agreements made by it in the County Related Documents, as such covenants and agreements exist on the date hereof, as if such covenants and agreements were set forth herein in their entirety together with all defined terms and interpretative provisions necessary for a complete understanding thereof (such material covenants, agreements and defined and interpretative terms, the "Underlying Provisions"; the Underlying Provisions as so incorporated, the "Incorporated Provisions"). The Incorporated Provisions shall be deemed to be made for the benefit of the Bank and shall be enforceable against the County by the Bank. No amendment to such Underlying Provisions (or the defined terms relating thereto) made pursuant to the Related Documents, which could reasonably be expected to have a material adverse effect on the ability of the County to timely perform its obligations hereunder or under the County Related Documents shall be effective to amend such incorporated covenants without the prior written consent of the Bank. The Incorporated Provisions shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall the Incorporated Provisions be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Article VII (other than the Incorporated Provisions) and the Incorporated Provisions, the covenants and agreements set forth in the other provisions of Article VII shall prevail.

Section 7.32 Further Assurances. The County agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the County Related Documents.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.1 Events of Default. The occurrence and continuance of one or more of the following events shall constitute an event of default hereunder ("Event of Default");

(a) The Corporation, the County and the Bond Insurer shall fail to pay when due (i) the amount of any Drawing; (ii) the principal of or interest on any Liquidity Advance or Term Loan; or (iii) any other amount payable hereunder, and such default shall continue unremedied for five (5) Business Days; or

(b) The County shall (i) default in the due performance or observance by it of any Incorporated Provision or any term, covenant or agreement contained in Sections 7.1(a), 7.3, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, 7.22, 7.26, 7.27 or 7.28; (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in Sections 7.1(b), 7.1(c), 7.1(d), 7.1(e), 7.1(g) or 7.1(h); and such default shall continue unremedied for a period of five (5) Business Days; or (iii) default in the due performance or observance by it of any other term, covenant or agreement hereunder (other than those referred to in Section 8.1(a), 8.1(b)(i) and 8.1(b)(ii)) and such default shall continue unremedied for a period of thirty (30) days after written notice to the County by the Bank; or

(c) The Corporation shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 6.8, 6.11, 6.12, 6.13, 6.14 or 6.15; or (ii) default in the due performance or observance by it of any other term, covenant or agreement hereunder (other than those referred to in Section 8.1(c)(i)) and such default shall continue unremedied for a period of thirty (30) days after written notice to the Corporation by the Bank; or

(d) Any representation, warranty, certification or statement made or deemed made by the County or the Corporation in this Agreement, any Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove when made or deemed made, in the reasonable judgment of the Bank, to have been inaccurate and misleading in any material respect; or

(e) The County shall (i) default in any payment of any Debt or lease obligation payable from the County's general fund beyond the period of grace (not to exceed thirty (30) days), if any, provided in the instrument or agreement under which such Debt or lease obligation was created, or (ii) default in the observance or performance of any agreement or condition relating to any Debt or lease obligation payable from the County's general fund contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of any Debt or lease obligation payable from the County's general fund (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Debt or lease obligation payable from the County's general fund to become due prior to its stated maturity; or (iii) any Debt or lease obligation payable from the County's general fund shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof other than as a result of the voluntary refunding thereof by the County; or

(f) The County or the Corporation shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of itself or any

substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or in the reasonable judgment of the Bank be unable, to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

(g) An involuntary case or other proceeding shall be commenced against the County or the Corporation seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such case or proceeding is not controverted within thirty (30) days and dismissed within sixty (60) days; or an order for relief shall be entered against the County or the Corporation under the federal bankruptcy laws as now or hereafter in effect; or

(h) Any material provision of this Agreement or any of the Related Documents shall cease to be valid and binding, or the County or the Corporation shall contest any such provision, or the County, the Corporation or any agent or trustee on behalf of the County or the Corporation shall deny that such entity has any or further liability under this Agreement or any of the Related Documents to which such entity is a party; or

(i) A moratorium shall have been declared or announced by a Governmental Authority (whether or not in writing) with respect to any Debt of the County payable from the County's general fund; or

(j) Dissolution or termination of the existence of the County or the Corporation; or

(k) One or more final, non-appealable judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate and for which insurance proceeds shall not be available shall be rendered against the County and such judgment(s) or order(s) shall not be stayed, bonded, vacated, discharged or satisfied for a period of ninety (90) days; or

(l) Any of the funds or accounts established pursuant to the Indenture or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the County or the Corporation and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within forty-five (45) days after its issue or levy; or

(m) Any pledge or security interest created by this Agreement or any Related Document to secure any amount due by the County under this Agreement or with respect to the Bonds shall fail to be fully enforceable with the priority required hereunder or thereunder; or

(n) Any event which materially and adversely affects the financial condition of the County or the ability of the County to observe and perform its obligations under this Agreement and the County Related Documents shall have occurred and be continuing; or

(o) (i) The withdrawal or suspension for credit-related reasons by any Rating Agency of a Rating; or (ii) the downgrade by any Rating Agency of a Rating to a level below "BBB-" (or its equivalent) in the case of Fitch, "Baa3" (or its equivalent) in the case of Moody's or "BBB-" (or its equivalent) in the case of S&P; or

(p) There shall have been rendered a determination that interest on any of the Bonds is includable in the gross income of the Owners thereof for federal income tax purposes, as a result of the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service, whether or not such decree, judgment or action is appealable or deemed to be final under applicable procedural law, or delivery to the County, the Bank and the Trustee of an opinion of nationally recognized bond counsel selected by the Bank and reasonably acceptable to the County and the Trustee to the effect that the interest borne by the Bonds is includable in the gross income of the recipients thereof generally for federal income tax purposes; or

(q) An "event of default" (or similar event) shall have occurred under any of the Related Documents.

Section 8.2 Rights and Remedies Upon Event of Default. Upon the occurrence of an Event of Default hereunder the Bank, in its sole discretion, may do any, none or all of the following:

(a) Deliver a written notice to the Trustee requiring the Trustee to cause a mandatory purchase of all Outstanding Bonds pursuant to the Indenture and in connection therewith instructing the Trustee to submit a final Drawing under the Letter of Credit to pay the purchase price of such Bonds upon their mandatory purchase; or

(b) The Bank may by written notice to the Corporation and the County take any or all of the following actions, without prejudice to the rights of the Bank to enforce its claims against the Corporation and the County (provided, that, if an Event of Default specified in Section 8.1(f) or 8.1(g) shall occur, the result which would occur upon the giving of written notice by the Bank to the Corporation and the County as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the commitment of the Bank to make Liquidity Advances and Term Loans terminated, whereupon such commitment shall forthwith terminate immediately; and (ii) declare the principal of and any accrued interest in respect of all Liquidity Advances, Term Loans and all other Obligations (other than the payment of the principal of and interest on Bank Bonds) owing hereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand or protest of any kind, all of which are hereby waived by the County; or

(c) The Bank may, but shall not be obligated to, take such action as may be necessary to cure such Event of Default on behalf of and for the account of the Corporation and the County; or

(d) Exercise any rights and remedies available to the Bank at law, equity or under any Related Document.

Nothing contained in this Section 8.2 shall result in, or be construed to require, an acceleration of Rental Payments under the Facilities Lease and nothing contained in this Section 8.2 is intended to abrogate abatement of Rental Payments made in accordance with the terms of the Facilities Lease. Nothing contained in Section 8.2(b) shall abrogate the obligation of the Bank to honor Drawings presented in accordance with the terms of the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms; provided, further that so long as no Bond Insurer Event of Default has occurred, the Bank shall not accelerate any payment hereunder without the written consent of the Bond Insurer.

It is understood that, upon the occurrence of an Event of Default, the Bank may exercise its rights with respect to remedies available to it under the Indenture or any of the other Related Documents, all without limiting or restricting the Bank's ability, at a later date, to exercise its rights with respect to any remaining revenues for payment of any remaining indebtedness of the County to the Bank; provided that so long as no Bond Insurer Event of Default has occurred the Bank agrees that it shall take no action with respect to the security interest granted hereunder without the prior written consent of the Bond Insurer. It is understood that the Bond Insurer is only obligated under the Bond Insurance Policy to pay regularly scheduled principal and interest on the Bonds and any Bank Bonds, regardless of the occurrence of an Event of Default. Payments made in respect of Bank Bonds by the Bond Insurer shall be credited to interest and principal due on the Bank Bonds as if such payments were made by the Corporation, or the County on behalf of the Corporation, but such payment by the Bond Insurer shall not extinguish the obligation of the Corporation or the County to reimburse the Bond Insurer therefor.

Section 8.3 Rights and Remedies Upon Bond Insurer Event of Default. Upon the occurrence of a Bond Insurer Event of Default the Bank, in its sole discretion, may exercise any rights and remedies available to the Bank under the Bond Insurance Cancellation Agreement.

ARTICLE IX MISCELLANEOUS

Section 9.1 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing, mailed by registered or certified mail, with return receipt requested, delivered by a nationally recognized overnight courier, telecopied or hand delivered. All such notices and other communications shall be effective (i) if given by mail, 3 days after the date of deposit in the mails, postage prepaid, addressed as specified in this Section, (ii) if given by facsimile, when sent to the facsimile number set forth below (or such other number as may be provided to each of the other parties listed in this Section in writing) and when confirmed by telephone or (iii) if given by other means, when delivered to the address specified herein:

If to the County, to it at:

County of Riverside
County Administration Center
4080 Lemon Street, 4th Floor

Riverside, CA 92501-36512
Attention: County Executive Officer
Facsimile: (951) 955-1105
Telephone: (951) 955-1127

If to the Corporation, to it at:

County of Riverside Asset Leasing Corporation
County Administration Center
4080 Lemon Street, 4th Floor
Riverside, CA 92501-36512
Attention: Assistant Secretary
Facsimile: (951) 955-1105
Telephone: (951) 955-1127

If to the Trustee, to it at:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services
Facsimile: (213) 615-6199
Telephone: (213) 615-6005

If to the Remarketing Agent, to it at:

Citigroup Global Markets Inc.
[390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Manager, Short-Term Finance Group]

If to the Bank with respect to credit matters, to:

Wells Fargo Bank, National Association
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
Attention: Lynn Love
Facsimile: (213) 614-3555
Telephone: (213) 614-2235
Email: lovely@wellsfargo.com [ADDRESS]

If to the Bank with respect to Drawings under
the Letter of Credit, to:

Wells Fargo Bank, National Association
U.S. Trade Services, Standby Letter of Credit Office

MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF THE STANDBY LETTER
OF CREDIT OFFICE
Facsimile: (415) 296-8905
Telephone: (800) 798-2815

With a copy to:

Wells Fargo Bank, National Association
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
Facsimile: (213) 614-3555
Telephone: (213) 614-4207
gwendolyn.eteaki@wellsfargo.com

or at such other address as shall be designated by such party in a written notice to the other party hereto.

(b) This Agreement may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually signed originals and shall be binding on the County, the Corporation and the Bank.

(c) Electronic mail and hyperlinks to internet websites that do not require passwords may be used only to distribute routine notices, such as financial statements and other information, and to distribute documents for execution by the parties thereto, and may not be used for any other purpose unless delivery by such means is promptly followed by hand delivery, delivery by courier or delivery by facsimile.

Section 9.2 Governing Law; Venue.

(a) PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; PROVIDED, HOWEVER, THE OBLIGATIONS OF THE COUNTY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

(b) Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement, the Letter of Credit or any document related hereto or thereto shall be brought in the courts of the State located in the City of Riverside or the United

States of America District Court for the Central District of California and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the maximum extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. All mailings under this Section 9.2 shall be by certified mail, return receipt requested.

(c) Each party irrevocably consents to the service of any and all process in any such suit, action or proceeding by mailing or delivering copies of such process to such party at its address provided in Section 9.1. Nothing in this Section 9.2 shall affect the right of a party to serve legal process on the other party in any other manner permitted by law.

Section 9.3 Waiver of Jury Trial; Judicial Reference.

(a) With respect to any suit, actions or proceedings relating to this Agreement, the Fee Letter or Bank Bonds, to the fullest extent permitted by applicable law, the Corporation, the County and the Bank each waives any right it may have to trial by jury. The Corporation and the County further warrants and represents that such waiver has been intentionally, knowingly and voluntarily made, following consultation with its legal counsel. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, the Corporation, the County and the Bank each hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such reference whether fact or law. The Corporation, the County and the Bank each represent that it has reviewed this waiver and consent and it knowingly and voluntarily waives its jury trial rights and consents to judicial reference following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this agreement may be filed as a written consent to a trial by the court or to judicial reference under California Code of Civil Procedure Section 638 as provided herein.

(b) The Corporation and the County each waives, to the extent not prohibited by law, any right it may have to claim or recover from the Bank in any legal action or proceeding any special, exemplary, punitive or consequential damages.

(c) The Bank hereby recognizes that the procedural requirements applicable to commencing an action against the Corporation and the County differ from requirements applicable to nongovernmental entities.

Section 9.4 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the County, the Corporation and the Bank and their respective successors and assigns, except that neither the County nor the Corporation may assign or otherwise transfer any

of its rights or obligations under this Agreement without the prior written consent of the Bank. Except as provided subsections (b) and (c) below and except during the continuance of an Event of Default, the Bank may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the County.

(b) The Bank may at any time assign to one or more banks or other institutions (each an “Assignee”) all, or a proportionate part of all, of its rights (but not its obligations) under this Agreement and the Letter of Credit. The Bank may at any time grant to one or more banks or other institutions (each a “Participant”) participating interests in the Drawings under the Letter of Credit and the reimbursement obligations, Liquidity Advances and Term Loans arising therefrom. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the County, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the County shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations under this Agreement and the Letter of Credit. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the County hereunder and under the Related Documents, including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement or any Related Document; provided that such participation agreement may provide that, without first obtaining the consent of the Participant thereunder, the Bank will not agree to any modification, amendment or waiver of this Agreement or the Indenture which (i) increases or decreases the stated amount of the Letter of Credit, (ii) reduces the principal of or interest on any unreimbursed Drawing, Liquidity Advance or Term Loan owing to the Bank, (iii) postpones or changes the date fixed for any payment of principal of or interest on any unreimbursed Drawing, Liquidity Advance or Term Loan or fees owing to the Bank, (iv) decreases the formula by which the fees for the Letter of Credit are calculated or (v) releases the Lien of the Trustee over the Rental Payments. The County and the Corporation each agrees that each Participant shall be entitled to the benefits of Sections 3.3, 3.5(b) and 4.2 hereof with respect to its participating interest, provided that no Participant or other transferee of any Bank’s rights shall be entitled to receive any greater payment than the Bank would have been entitled to receive with respect to the rights participated or transferred.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and the Letter of Credit to a Federal Reserve Bank. No such assignment by the Bank shall release the Bank from its obligations hereunder or under the Letter of Credit.

Section 9.5 Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.6 Amendments; Waivers. None of the provisions of this Agreement may be amended, changed, waived, discharged or terminated except by an instrument in writing signed and duly executed by the parties.

Section 9.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which

counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

Section 9.8 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.9 Headings; Table of Contents. Article and Section headings in this Agreement and the Table of Contents are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.10 Bond Insurer Notices. So long as no Bond Insurer Event of Default has occurred, the Corporation, the County and the Bank shall provide the Bond Insurer with a copy of all notices delivered to either party. Any provision of this Agreement requiring the consent of the Bond Insurer shall cease to apply upon the occurrence of a Bond Insurer Event of Default.

Section 9.11 USA PATRIOT Act. The Bank hereby notifies the Corporation and the County that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the County and the Corporation, which information includes the name and address of the County and the Corporation and other information that will allow the Bank to identify the County and the Corporation in accordance with the Patriot Act. The Corporation and the County each hereby agrees that it shall promptly provide such information upon request by the Bank.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed and delivered by its respective officer thereunto duly authorized as of the date first written above.

COUNTY OF RIVERSIDE ASSET LEASING
CORPORATION

By _____
Title:

COUNTY OF RIVERSIDE

By _____
Title:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By _____
Title:

FOR PURPOSES OF SECTION 2.10:
ACKNOWLEDGED AND AGREED

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and as Custodian

By _____
Title: Authorized Signatory

Signature Page
Reimbursement Agreement

EXHIBIT A
FORM OF LETTER OF CREDIT
[TO COME FROM THE BANK]

IRREVOCABLE LETTER OF CREDIT

December __, 2013
Letter of Credit No. _____

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071

Ladies and Gentlemen:

We hereby establish in your favor at the request and for the account of the County of Riverside our irrevocable letter of credit in the amount of U.S. \$[80,243,781 ([Eighty Million Two Hundred Forty Three Thousand Seven Hundred Eighty One] Dollars) in connection with the Bonds (as defined below) available with ourselves by sight payment against presentation of one or more signed and dated demands addressed by you to Wells Fargo Bank, National Association, U.S. Trade Services, Standby Letter of Credit Office, MAC A0195-212, One Front Street, 21st Floor, San Francisco, California 94111 (the "Presentation Office"), each in the form of Annex A (an "A Drawing"), Annex B (a "B Drawing"), Annex C (a "C Drawing"), or Annex D (a "D Drawing") hereto (with all instructions in brackets therein being complied with). Each such demand must be presented to us (1) in its signed and dated original form at the Presentation Office (as hereinafter defined), or (2) by facsimile transmission of such signed and dated original form to our facsimile number specified after our signature on this Letter of Credit (the "Wells Fargo Fax Number").

Each such presentation must be made to the Presentation Office on a Business Day (a day on which the Presentation Office is open to conduct its letter of credit business) at or before 5:00 p.m. local time at the Presentation Office.

This Letter of Credit expires at the Presentation Office on December [], 2016 or, if such date is not a Business Day, then on the first (1st) succeeding Business Day thereafter (the "Expiration Date").

The amount of any demand presented hereunder will be the amount inserted in numbered Paragraph 4 of said demand. By honoring any such demand we make no representation as to the correctness of the amount demanded.

We hereby agree with you that each demand presented hereunder in full compliance with the terms hereof will be duly honored by our payment to you of the amount of such demand, in immediately available funds of Wells Fargo Bank, National Association:

- (i) not later than 10:00 a.m., local time at the Presentation Office, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before noon, local time at the Presentation Office, or
- (ii) not later than 10:00 a.m., local time at the Presentation Office, on the second Business Day following the Business Day on which such demand is presented to us as aforesaid, if such presentation is made to us after noon, local time at the Presentation Office.

Notwithstanding the foregoing, any demand presented hereunder, in full compliance with the terms hereof, for a C Drawing will be duly honored (i) not later than 12:30 p.m., local time at the Presentation Office, on the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before 8:00 a.m., local time at the Presentation Office, and (ii) not later than 11:00 a.m., local time at the Presentation Office, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us after 8:00 a.m., local time at the Presentation Office.

If the remittance instructions included with any demand presented under this Letter of Credit require that payment is to be made by transfer to an account with us or with another bank, we and/or such other bank may rely solely on the account number specified in such instructions even if the account is in the name of a person or entity different from the intended payee.

With respect to any demand that is honored hereunder, the total amount of this Letter of Credit shall be reduced as follows:

- (A) With respect to each A Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the amount of such A Drawing with respect to all demands presented to us after the time we receive such A Drawing; provided, however, that the amount of such A Drawing shall be automatically reinstated

on the eighth (8th) Business Day following the date such A Drawing is honored by us, unless (i) you shall have received notice from us sent to you at your above address by express courier or registered mail, or by facsimile transmission to your fax number _____ (the "Beneficiary Fax Number"), no later than seven (7) Business Days after such A Drawing is honored by us, that there shall be no such reinstatement, or (ii) such eighth (8th) Business Day falls after the Expiration Date;

- (B) With respect to each B Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such B Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the B Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the B Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the B Drawing calculated for [52] days at the rate of twelve percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent), and no part of such sum shall be reinstated;
- (C) With respect to each C Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such C Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the C Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the C Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the C Drawing calculated for [52] days at the rate of twelve percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); provided, however, that if the Bonds (as defined below) related to such C Drawing are remarketed and the remarketing proceeds are paid to us prior to the Expiration Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (C) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; provided, however, that in no event will the total amount of all C Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (C).

Upon presentation to us of a D Drawing in compliance with the terms of this Letter of Credit, no further demand whatsoever may be presented hereunder.

No A Drawing which we honor shall be for an amount more than U.S. \$[1,348,781].

It is a condition of this Letter of Credit that the amount available for drawing under this Letter of Credit shall be decreased automatically without amendment upon our receipt of each reduction authorization in the form of Annex E to this Letter of Credit (with all instructions therein in brackets being complied with) sent to us (1) in its signed and dated original form at the Presentation Office, or (2) by facsimile transmission of such signed and dated original form to the Wells Fargo Fax Number.

This Letter of Credit is subject to, and engages us in accordance with the terms of, the International Standby Practices (1998 Revision), Publication No. 590 of the International Chamber of Commerce (the "ISP" or "Governing Rules") and as to matters not addressed by the ISP shall be governed by and construed in accordance with the laws of the State of California, including, without limitation, the Uniform Commercial Code as in effect in such state, and applicable U.S. Federal law, except to the extent such laws are inconsistent with the provisions of the ISP or this Letter of Credit.

This Letter of Credit is transferable and may be transferred more than once, but in each case only in the amount of the full unutilized balance hereof to any single transferee who you shall have advised us pursuant to Annex F has succeeded U.S. Bank National Association or a successor trustee as Trustee under the Indenture of Trust, dated as of December 1, 2008, as supplemented from time to time (the "Indenture"), among the County of Riverside Asset Leasing Corporation (the "Issuer"), the County of Riverside and U.S. Bank National Association, as Trustee, pursuant to which U.S. \$78,895,000 aggregate principal amount of the Issuer's Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding) (the "Bonds") were issued. Transfers may be effected only through ourselves and only upon presentation to us at the Presentation Office of a duly signed and dated instrument of transfer in the form attached hereto as Annex F (with all instructions therein in brackets complied with). Any transfer of this Letter of Credit as aforesaid must be endorsed by us on the reverse hereof and may not change the place for presentation of demands to a place other than the Presentation Office.

All payments hereunder shall be made from our own funds.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except the Governing Rules to the extent that they are not inconsistent with or made inapplicable by this Letter of Credit; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except the Governing Rules.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
[Authorized Signature]

San Francisco Standby Letter of Credit Office
Telephone No.: 1-800-798-2815
Facsimile No.: (415) 296-8905

DRAWING FOR INTEREST ON AN ORDINARY INTEREST PAYMENT DATE

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT, ON AN INTEREST PAYMENT DATE (AS DEFINED IN THE INDENTURE), OF UNPAID INTEREST ON THE BONDS.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS]

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$**[INSERT AMOUNT]**.
- (5) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**DRAWING FOR PRINCIPAL AND INTEREST UPON AN OPTIONAL OR
MANDATORY REDEMPTION OF LESS THAN ALL THE BONDS**

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "**TRUSTEE**") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "**BANK**") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "**LETTER OF CREDIT**"; THE TERMS THE "**BONDS**", "**BUSINESS DAY**", THE "**INDENTURE**", AND THE "**PRESENTATION OFFICE**" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND THE UNPAID INTEREST ON, REDEEMED BONDS UPON AN OPTIONAL AND/OR MANDATORY REDEMPTION OF LESS THAN ALL OF THE BONDS CURRENTLY OUTSTANDING.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS **[\$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].**
- (5) THE AMOUNT HEREBY DEMANDED IS EQUAL TO THE SUM OF (A) **[\$[INSERT AMOUNT]]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF THE REDEEMED BONDS AND (B) **[\$[INSERT AMOUNT]]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE REDEEMED BONDS.
- (6) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10.00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**DRAWING FOR PRINCIPAL AND INTEREST ON BONDS WHICH THE
REMARKETING AGENT CANNOT REMARKET**

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "**TRUSTEE**") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "**BANK**") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "**LETTER OF CREDIT**"; THE TERMS THE "**BONDS**", "**BUSINESS DAY**", THE "**INDENTURE**", AND THE "**PRESENTATION OFFICE**" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND INTEREST DUE ON, THOSE BONDS WHICH THE REMARKETING AGENT (AS DEFINED IN THE INDENTURE) HAS BEEN UNABLE TO REMARKET WITHIN THE TIME LIMITS ESTABLISHED IN THE INDENTURE.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS]

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS **\$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW]**.
- (5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) **\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.
- (6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED.
- (7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE 8:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 12:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 8:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SAID BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**DRAWING FOR TOTAL UNPAID PRINCIPAL AND INTEREST ON ALL BONDS UPON
THEIR STATED MATURITY, MANDATORY TENDER, OR REDEMPTION**

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON (A) THE STATED MATURITY OF ALL SUCH BONDS, (B) THE MANDATORY TENDER OF ALL SUCH BONDS, OR (C) THE REDEMPTION OF ALL SUCH BONDS.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS **\$(INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS SET FORTH IN PARAGRAPH 5, BELOW).**
- (5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **\$(INSERT AMOUNT)** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID PRINCIPAL OF THE OUTSTANDING BONDS AND (B) **\$(INSERT AMOUNT)** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE OUTSTANDING BONDS.
- (6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED.
- (7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

LETTER OF CREDIT REDUCTION AUTHORIZATION

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY], WITH REFERENCE TO LETTER OF CREDIT NO. _____ ISSUED BY WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK"),
HEREBY UNCONDITIONALLY AND IRREVOCABLY REQUESTS THAT THE BANK DECREASE
THE AMOUNT AVAILABLE FOR DRAWING UNDER THE LETTER OF CREDIT BY \$**[INSERT
AMOUNT]**.

[FOR SIGNED REDUCTION AUTHORIZATIONS ONLY]

[INSERT NAME OF BENEFICIARY]

By: [INSERT SIGNATURE]

TITLE: [INSERT TITLE]

DATE: [INSERT DATE]

TRANSFER OF LETTER OF CREDIT

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT DATE]

Subject: Your Letter of Credit No. _____

Ladies and Gentlemen:

For value received, we hereby irrevocably transfer all of our rights under the above-captioned Letter of Credit, as heretofore and hereafter amended, extended, increased or reduced to:

[Name of Transferee]

[Address of Transferee]

By this transfer, all of our rights in the Letter of Credit are transferred to the transferee, and the transferee shall have sole rights as beneficiary under the Letter of Credit, including sole rights relating to any amendments, whether increases or extensions or other amendments, and whether now existing or hereafter made. You are hereby irrevocably instructed to advise future amendment(s) of the Letter of Credit to the transferee without our consent or notice to us.

The original Letter of Credit is returned with all amendments to this date. Please notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions to this Letter of Credit, including amendments as transferred.

You are hereby advised that the transferee named above has succeeded _____ or a successor trustee, as Trustee under the Indenture of Trust, dated as of December 1, 2008, as supplemented from time to time (the "Indenture"), among the County of Riverside Asset Leasing Corporation (the "Issuer"), the County of Riverside and U.S. Bank National Association, as Trustee, pursuant to which U.S. \$78,895,000 aggregate principal amount of the Issuer's Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding) (the "Bonds") were issued.

Very truly yours,

[Insert Name of Transferor]

By: _____
[Insert Name and Title]

By its signature below, the undersigned transferee acknowledges that it has duly succeeded **[Insert Name of First Letter of Credit Beneficiary]** or a successor trustee as Trustee under the Indenture.

[Insert Name of Transferee]

By: _____
[Insert Name and Title]

Telephone: [Insert Telephone Number]

December __, 2013

County of Riverside Asset Leasing Corporation
County of Riverside
U.S. Bank National Association
Citigroup Global Markets Inc.

Re: County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold
Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding)

Ladies and Gentlemen:

We have acted as counsel to Wells Fargo Bank, National Association (the "Bank") in connection with the execution, delivery and issuance of its irrevocable letter of credit number _____ (the "Letter of Credit"), which Letter of Credit provides credit and liquidity support for the above referenced bonds (the "Bonds").

In so acting, we have examined an executed copy of the Letter of Credit. In addition we have examined such documents, records, instruments, certificates of corporate officers and representatives, certificates of public officials and such matters of law as we have deemed necessary or appropriate to enable us to render the opinions expressed below. In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. We have relied, to the extent we deemed such reliance proper, on certificates of corporate officers and public officials with respect to the accuracy of factual matters contained therein which were not independently established. Further, we have assumed the accuracy of the representations, warranties and covenants contained in such documents, records, instruments, communications and certificates.

Based upon the foregoing assumptions and the qualifications and reservations set forth herein, we are of the opinion that under the laws of the State of California and, where applicable, the laws of the United States of America:

1. The Bank is a national banking association validly existing under the laws of the United States of America, and is presently authorized to transact business in the United States of America.
2. The Letter of Credit has been duly executed and delivered by the Bank and constitutes a valid and binding obligation of the Bank enforceable against the Bank in accordance with

its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the bankruptcy, insolvency, liquidation or reorganization of, or other similar occurrence with respect to, the Bank or in the event of any moratorium or similar occurrence affecting the Bank.

We express no opinion herein as to whether (i) a court in the exercise of its equitable powers may temporarily restrain payment of a drawing under the Letter of Credit, or (ii) any payment of principal of, premium, if any, or interest on the Bonds may constitute an avoidable transfer under any provision of Title 11 of the United States Code.

We are members of the Bar of the State of California. Our opinion in numbered paragraph 1 is rendered only in respect of the laws of the United States of America and our opinion in numbered paragraph 2 is rendered only in respect of the laws of the State of California.

We are rendering this opinion to you solely for your benefit. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance, provided that a copy of this opinion may be delivered by you to any rating agency that is rating the Bonds who may rely upon this opinion as if it were addressed to them. Notwithstanding the preceding sentence, this opinion (or a copy of this opinion) may be included in the closing transcript for the remarketing of the Bonds.

Very truly yours,

McGuireWoods LLP

NWR:amv