

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

522



FROM: Executive Office

SUBMITTAL DATE:
May 2, 2013

SUBJECT: 2013 Lease Revenue Bonds (Public Defender Building and Riverside County Information Technology Building Acquisition) , District 2

RECOMMENDED MOTION: That the Board of Supervisors approves and adopts Resolution No. 2013-122 and the execution and delivery of the documents associated with the financing of the County of Riverside Asset Leasing Corporation 2013 Lease Revenue Bonds (Public Defender Building and Riverside County Information Technology Building Acquisition) to provide for the remodel of an existing facility for the Public Defender's use and the acquisition of the of a new facility for the Riverside County Information Technology (RCIT) department, to fund a reserve fund for the Bonds and pay the costs of issuance of the Bonds.

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER
DATE: 5/6/13
Departmental Concurrence

Stephanie Persi
Stephanie Persi, Senior Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 225,000	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 1,175,000	For Fiscal Year:	2013-14

SOURCE OF FUNDS: CORAL Bond Funds , General Fund and RCIT	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
BY: *Ivan M. Chand*
Ivan M. Chand 5/7/2013

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: May 14, 2013
xc: EO, EDA

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

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Prev. Agn. Ref.: 3-86 2/26/13; 3-5 3/26/13	District: 2/2	Agenda Number:
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3-7

Dept's Recomm.:
Per Exec. Ofc.:

RE: 2013 Lease Revenue Bonds (Public Defender Building and Riverside
County Information Technology Building Acquisition)

Date: May 2, 2013

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BACKGROUND: The County is constructing and renovating the County owned building located at 4075 Main Street in the City of Riverside for use by the County's Law Offices of the Public Defender. The building is the former site of the County's district attorney's office and must be retrofit and improved to be suitable for use by the County. The County will also be acquiring and renovating a building located at 3450 14th Street in the City of Riverside (currently occupied by the Press Enterprise newspaper) to house RCIT. The County will also apply proceeds of the Bonds to build a data center within the RCIT building in order to consolidate the operations into a centralized location.

If approved, staff recommends issuing up to \$75 million in fixed interest rate bonds. The Bonds will be issued as tax-exempt bonds. The Bonds mature in the years 2013 through 2043. Payments on the Bonds are secured by a lease between CORAL and the County. The lease payments will be made by three departments: RCIT, Public Defender and Probation. RCIT's share of the debt service payments will be approximately 70%. They will generate funds through internal service fees. Probation will be leasing a portion of the newly remodeled building and as such, the Public Defender and Probation are responsible for the remainder of the debt service. These departments are fully funded by the general fund. The average annual debt service is anticipated to be no greater than \$3.9 million. The general funds contributing on average \$1.175 million annually.

This item has been approved by the County of Riverside Asset Leasing Corporation and the Debt Advisory Committee.

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2013-122

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING PROCEEDINGS AND AGREEMENTS RELATING TO THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF BUILDINGS TO HOUSE THE PUBLIC DEFENDER'S OFFICE AND THE INFORMATION TECHNOLOGY DEPARTMENT, APPROVING ISSUANCE AND SALE OF LEASE REVENUE BONDS BY THE COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, APPROVING AN OFFICIAL STATEMENT AND AUTHORIZING OFFICIAL ACTIONS

WHEREAS, the County of Riverside Asset Leasing Corporation (the "Corporation") is a non-profit public benefit corporation, and authorized under its Articles of Incorporation and under the laws of the State of California to finance the acquisition and construction of and operation of facilities of benefit to the County of Riverside (the "County"); and

WHEREAS, the County has requested that the Corporation issue its lease revenue bonds for the purpose of providing funds to acquire, construct, improve, furnish and equip buildings that will house the Office of the Public Defender of the County and the Information and Technology Department (the "2013 Projects"); and

WHEREAS, to provide such financing for the 2013 Projects the Corporation proposes to issue its lease revenue bonds in an aggregate original principal amount of not to exceed \$75,000,000 (the "Bonds"), which may be issued in one or more series as tax-exempt and taxable bonds, which are proposed to be payable from lease payments to be paid to the Corporation by the County pursuant to a lease agreement (the "Lease Agreement") relating to the certain property, including the Information Technology Building, the Northwest Animal Shelter, the existing Law Offices of the Public Defender and the First American Title building (the

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]*
DATE: 5/16/13
DAGE AGARDNER

1 “Property”); and

2 WHEREAS, the Corporation will have previously leased the Property from the County
3 pursuant to a ground lease (the “Ground Lease”); and

4 WHEREAS, the proceeds of the Bonds to be deposited in the project fund to be created
5 and maintained pursuant to an Indenture of Trust by and between the Corporation and Wells
6 Fargo Bank, N.A., as trustee (the “Project Fund”) will be applied by the Corporation for the
7 acquisition, construction and improvement of the 2013 Projects pursuant to an agency agreement
8 between the Corporation and the County; and

9
10 WHEREAS, the Corporation has determined that the Bonds should be offered for sale on
11 a negotiated basis by E. J. De La Rosa & Co., Inc. (the “Underwriter”) and has presented forms
12 of a Purchase Contract (the “Purchase Contract”) and an Official Statement describing the Bonds
13 to be used in connection with the marketing thereof; and

14
15 NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the
16 Board of Supervisors of the County of Riverside, in regular session assembled on May 14, 2013,
17 at 9:00 a.m., in its meeting room located on the 1st Floor of the County Administrative Center,
18 4080 Lemon Street, Riverside, California, as follows:

19 Section 1 Findings and Determinations. The Board of Supervisors finds and
20 determines that it is in the prudent management of the fiscal affairs of the County that the
21 proceeds to be deposited in the Project Fund will be used for the acquisition and improvement
22 costs of the 2013 Projects.
23

24 The Board of Supervisors hereby finds that the issuance of the Bonds by the Corporation
25 will result in savings in effective interest rates, underwriting costs and bond issuance costs and
26 thereby result in significant public benefits.
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1 Section 2 Approval of Bonds. The Board of Supervisors hereby approves of
2 the issuance of the Bonds by the Corporation provided that the maximum aggregate principal
3 amount of the Bonds shall not exceed \$75,000,000. The Bonds may be issued in one or more
4 series as tax-exempt and taxable bonds in the relative amounts as approved by an Authorized
5 Representative, defined herein, so long as the provisions of Section 4 hereof have been met.
6

7 Section 3 Approval of Financing Documents. The Board of Supervisors
8 hereby approves each of the following documents in substantially the respective forms on file
9 with the Clerk of the Board of Supervisors, together with such additions thereto and changes
10 therein as Bond Counsel shall deem necessary, desirable or appropriate, the execution of which
11 by the County Executive Officer or the Deputy County Executive Officer (the "Authorized
12 Representatives") shall be conclusive evidence of the approval of any such additions and
13 changes.
14

15 (a) the Ground Lease relating to the lease of the Property by the Corporation from the
16 County;

17 (b) the Lease Agreement relating to the lease of the Property by the County from the
18 Corporation;

19 (c) the Agency Agreement, by and between the County and the Corporation; and

20 (d) the Purchase Contract among the County, the Corporation and the Underwriter.
21

22 The Authorized Representatives are each hereby authorized and directed to execute, and
23 the Clerk of the Board of Supervisors is hereby authorized and directed to attest and affix the
24 seal of the County to, the final forms of each of the above-mentioned documents for and in the
25 name and on behalf of the County.

26 Section 4 Sale of Bonds. The Board of Supervisors hereby approves the sale
27 of the Bonds by the Corporation by negotiated sale to the Underwriter; provided, that the true
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1 interest cost for the Bonds shall not be more than 6.00%, the underwriter's discount shall not
2 exceed 0.25% of the principal amount of the Bonds and the final maturity of the Bonds is not
3 greater than 31 years from their date of issuance.

4 Section 5 Official Statement and Continuing Disclosure Certificate. The
5 Board of Supervisors approves the preparation of, and hereby authorizes the Authorized
6 Representatives to deem final within the meaning of Rule 15c2-12 of the Securities and
7 Exchange Commission, except for permitted omissions, a preliminary form of Official Statement
8 describing the Bonds, the form of which is presented to this meeting. The Authorized
9 Representatives are hereby directed to provide such necessary certification as to the accuracy and
10 completeness of information pertaining to the County in the preliminary and final Official
11 Statement. The Underwriter is hereby authorized to distribute and otherwise use the preliminary
12 Official Statement and the final Official Statement in connection with the offering of the Bonds.
13 The Authorized Representatives are hereby authorized to execute the final Official Statement in
14 the name and on behalf of the County, including any notifications resulting from additions
15 thereto and changes therein as Bond Counsel or Disclosure Counsel shall deem necessary. The
16 Board of Supervisors has reviewed and approved the form of Continuing Disclosure Certificate
17 presented to this meeting and the Authorized Representatives are further authorized to sign the
18 Continuing Disclosure Agreement on behalf of the County in such form as may be approved by
19 the officer executing the same.

20 Section 6 Official Actions. The Authorized Representatives, the Clerk of the
21 Board of Supervisors and any and all other officers of the County are hereby authorized and
22 directed, for and in the name and on behalf of the County, to do any and all things and take any
23 and all actions, including obtaining a rating on the Bonds and/or a municipal bond insurance
24 policy and a debt reserve fund surety bond, and including execution and delivery of any and all
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1 assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance,
2 warrants and other documents, which they, or any of them, may deem necessary or advisable in
3 order to consummate the transactions as described herein in connection with the issuance and
4 sale of the Bonds.

5 Section 7 Effective Date. This Resolution shall take effect from and after the
6 date of its passage and adoption.
7

8 PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of
9 Riverside this 14th day of May, 2013.

10
11 ROLL CALL:

12 Ayes: Jeffries, Tavaglione, Benoit and Ashley
13 Nays: None
14 Absent: Stone

15 The foregoing is certified to be a true copy of a resolution duly
16 adopted by said Board of Supervisors on the date therein set forth.

17 KECIA HARPER-IHEM, Clerk of said Board

18 By: _____
19 Deputy

INDENTURE OF TRUST

Dated as of _____, 2013

by and between

WELLS FARGO BANK, N.A.
as trustee

and the

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

Authorizing the Issuance of

\$ _____
County of Riverside Asset Leasing Corporation
Lease Revenue Bonds,
Series 2013A
(Public Defender and Information Technology Building Projects)

INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture”), made and entered into as of _____, 2013, is by and between the COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), and WELLS FARGO BANK, N.A., a national banking association, organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Corporation is a non-profit public benefit corporation duly organized and existing under the laws of the State and pursuant to its Articles of Incorporation; and

WHEREAS, the Corporation is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities including the County, and to provide financing and refinancing for public capital improvements including the land on which the public capital improvements are or will be located; and

WHEREAS, the County has requested the Corporation to issue its Lease Revenue Bonds, Series 2013 (Public Defender and Information Technology Building Projects) Series 2013A in the aggregate principal amount of \$ _____ (the “Bonds”) for the purpose of providing moneys to acquire, construct, improve, furnish and equip buildings that will house the Offices of the Public Defender of the County and the Information and Technology Department of the County; and

WHEREAS, in order to provide a source of revenues to enable the Corporation to pay the principal of and interest and premium, if any, on the Bonds when due, the Corporation proposes to lease from the County pursuant to a Ground Lease, dated the date hereof (the “Ground Lease”), certain land in which the County has fee title, and to lease said land and facilities (the “Leased Premises”) which the Corporation proposes to lease to the County pursuant to that certain Lease Agreement dated as of _____, 2013 (the “Lease Agreement”) by and between the Corporation and the County, and pursuant to which the County will pay semiannual lease payments in consideration thereof to the Corporation, all in the manner and on the terms provided in the Lease Agreement; and

WHEREAS, the Corporation has determined that in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium (if any) thereon, the Corporation has authorized the execution and delivery of this Indenture; and

WHEREAS, the Corporation hereby certifies that all acts and proceedings required by law necessary to make the Bonds, when executed by the Corporation, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Corporation, and to constitute this Indenture a valid and binding agreement for the uses and

purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt and adequacy whereof is hereby acknowledged, the Corporation does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. In addition, all capitalized terms used herein and not otherwise defined in this Section 1.01 shall have the respective meanings given such terms in the Lease Agreement.

“2013 Projects” means the acquisition, construction, improvement, furnishing and equipping of the Information and Technology Department Building and the Office of the Public Defender of the County.

“Authorized Representative” means: (a) with respect to the Corporation, its President, Vice President, Secretary and Assistant Secretary, or any other person designated as an Authorized Representative of the Corporation by a Written Certificate of the Corporation signed by its President, Vice President, Secretary and Assistant Secretary and filed with the County and the Trustee; and (b) with respect to the County, its Chairman of the Board of Supervisors, Vice Chairman, County Executive Officer, Deputy County Executive Officer or any other person designated as an Authorized Representative of the County by a Written Certificate of the County signed by its Chairman of the Board of Supervisors, Vice Chairman, County Executive Officer, Deputy County Executive Officer and filed with the Corporation and the Trustee.

“Bond Counsel” means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Corporation of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.01.

“Bond Year” means each twelve-month period extending from November 2 in one calendar year to November 1 of the succeeding calendar year, both dates inclusive; except that

the first Bond Year shall commence on the Closing Date and extend to and include November 1, _____.

“Bonds” means the \$ _____ aggregate principal amount of County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender and Information Technology Building Projects), authorized by and at any time Outstanding pursuant to this Indenture.

“Book-Entry Depository” means DTC or any successor as Book-Entry Depository for the Bonds, appointed pursuant to Section 2.11.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located.

“Closing Date” means _____, 2013, being the date of delivery of the Bonds to the Underwriter.

“Continuing Disclosure Certificate” means, as applicable, that certain Certificate of the Corporation or the County, as applicable, by that name and dated as of the Closing Date.

“Costs of Issuance” means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Corporation, initial fees and expenses of the Trustee and its counsel, title insurance premiums, appraisal fees, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Riverside.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling the following amounts: (a) the principal amount of all Outstanding Serial Bonds coming due and payable by their terms in such period; (b) the minimum principal amount of all Outstanding Term Bonds scheduled to be redeemed by operation of mandatory sinking fund deposits in such period; and (c) the interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Events of Default” means any of the events specified in Section 7.01.

“Fair Market Value” means, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code; (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code; or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

“Federal Securities” means:

(a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America;

(b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and

(c) pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (i) which are rated, based on the escrow, in the highest rating category of S&P or Moody’s or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraphs (a) or (b) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Corporation as its official fiscal year period.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Corporation or the County, and who, or each of whom (a) is in fact independent and not under domination of the Corporation or the County; (b) does not have any substantial interest, direct or indirect, in the Corporation or the County; and (c) is not connected with the Corporation or the County as an officer or employee of the Corporation or the County but who may be regularly retained to make annual or other audits of the books of or reports to the Corporation or the County.

“Information Services” means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Corporation may designate in a certificate delivered to the Trustee.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.08.

“Interest Account” means the account by that name established in the Bond Fund pursuant to Section 5.02.

“Interest Payment Date” means each May 1 and November 1 commencing November 1, 2013.

“Lease Agreement” means that certain Lease Agreement, dated as of _____, 2013, by and between the Corporation, as lessor, and the County, as lessee.

“Moody’s” means Moody’s Investors Service, its successors and assigns.

“Net Proceeds” means all amounts derived from any policy of casualty insurance or title insurance with respect to the Leased Premises, or the proceeds of any taking of the Leased Premises or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

“Office” means with respect to the Trustee, the corporate trust office of the Trustee at _____, or at such other or additional offices as may be specified in writing to the Corporation and the County, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.01) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Corporation shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 10.01; and (c) Bonds for the

transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner” whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- b. Federal Housing Administration Debentures (FHA)
- c. General Services Administration
Participation certificates
- d. Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GHMA - guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues.)
- e. U.S. Maritime Administration
Guaranteed Title XI financing
- f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Federal Home Loan Bank System
Senior debt obligations (Consolidated debt obligations)

- b. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mae")
Participation Certificates (Mortgage-backed securities)
Senior debt obligations
- c. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations (excluded are
stripped mortgage securities which are valued greater than par on the
portion of unpaid principal).
- d. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
- e. Resolution Funding Corp. (REFCORP) Only the interest component of
REFCORP strips which have been stripped by request to the Federal
Reserve Bank of New York in book entry form are acceptable.
- f. Farm Credit System
Consolidated systemwide bonds and notes

4. Money market funds registered under the Federal Investment Company of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAAM, or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2 including funds for which the Trustee or an affiliate advises or services.

5. Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. CD's must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks (which may include the Trustee and its affiliates) whose term obligations are rated "A-1" or better by S&P and "Prime-1" by Moody's.

The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

6. Certificates of deposit, savings accounts, deposit accounts or money market deposits (which may include the Trustee and its affiliates) which are fully insured by FDIC, including BIF and SAIF.

7. Investment agreements with a domestic or foreign bank or corporation, the long-term debt or financial strength of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guarantee insurance company, financial strength, of the guarantor is rated in at least the "double A" category by Moody's and S&P; provided, that, by the terms of the investment agreement:

- a. interest payments are to be made to the Trustee at all times and in the amounts as necessary to pay debt service, or for the Reserve Account, applied as directed in Section 5.06 hereof (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

b. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Issuer and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

c. the investment agreement shall state that it is the unconditional and general obligation of; and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

d. the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in a form and substance acceptable by the Issuer;

e. the investment agreement shall provide that if during its term

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with the applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (b) repay the principal of and accrued but unpaid interest on the investment (including such other amounts as are required to permit the Trustee to receive the initially contemplated yield through the term of the Agreement), or (c) assign its obligations thereunder to a financial counter-party, acceptable to the Issuer, and rated in the double A category by both Moody's and S&P; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee; and

f. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any

substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

g. the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and the amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate; or

8. Commercial paper rated "Prime-1" by Moody's and "A-1+" or better by S&P.

9. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in the highest long-term rating categories assigned by such agencies unless such obligations are issued by the State, in which case such obligations are rated in one of the two highest long-term rating categories of S&P and Moody's.

10. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" or better by S&P.

11. Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria:

a. Repos must be between the municipal entity and a dealer bank or securities firm.

(i) Primary dealers on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which are rated A or better by Standard & Poor's Ratings Group and Moody', or

(ii) Banks rated "A" or above by Standard & Poor's Ratings Group and Moody's Investor Services.

b. The written repo contract must include the following:

- (i) Securities which are acceptable for transfer are:
 - (A) Direct U.S. governments.
 - (B) Federal agencies backed by the full faith and credit of the U.S. Government (and FNMA & FHLMC).
- (ii) The term of the repo maybe up to 30 years.
- (iii) The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
- (iv) The trustee has perfected first priority security interest in the collateral.
- (v) Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repo or reverse repo.
- (vi) Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the trustee to liquidate collateral.
- (vii) Valuation of Collateral
 - (A) The securities must be valued weekly, marked-to-market at a current market price plus interest.
 - (B) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the municipal entity:

Repo meets guidelines under state law for legal investment of public funds.

12. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

13. County of Riverside Investment Pool.

14. State of California Local Agency Investment Fund (LAIF).

“Principal Account” means the account by that name established in the Bond Fund pursuant to Section 5.02.

“Project Fund” means the Project Fund established pursuant to Section 3.04 hereof.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established pursuant to Section 5.07.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.05 for the registration and transfer of ownership of the Bonds.

“Representation Letter” means the letter of representations from the Corporation to, or other instrument or agreement of the Corporation with, a Book-Entry Depository in which the Corporation, among other things, makes certain representations to such Depository with respect to the Bonds, the payment thereof and delivery of notices with respect thereto.

“Reserve Account” means the account by that name in the Bond Fund established pursuant to Section 5.02.

“Reserve Requirement” means, as of the date of calculation, an amount equal to [50% of] the lesser of (a) the maximum amount of annual Debt Service coming due and payable in the current or any future Bond Year; (b) 125% of average annual Debt Service on the Bonds; or (c) ten percent (10%) of initial outstanding principal amount of the Bonds.

“Revenues” means: (a) all amounts received by the Corporation or the Trustee pursuant to or with respect to the Lease Agreement, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding any amounts payable under Section 4.08 of the Lease Agreement; (b) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture (other than the Rebate Fund); and (c) the proceeds of rental interruption insurance policies carried with respect to Leased Premises pursuant to the Lease Agreement in accordance with this Indenture.

“S&P” means Standard & Poor’s Rating Services, a division of the McGraw Hill Companies, Inc., its successors and assigns.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-7232 in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Corporation may designate in a Written Certificate of the Corporation delivered to the Trustee.

“Serial Bonds” means the Bonds maturing on November 1 in each of the years ____ through ____, inclusive.

“Sinking Account” means the account by that name established and held by the Trustee pursuant to Section 5.02.

“State” means the State of California.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Corporation and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Code” means the Internal Revenue Code of 1986, as amended.

“Tax Regulations” means temporary and permanent regulations promulgated under or with respect to Sections 103 and 141 through 150, inclusive, of the Tax Code.

“Term Bonds” means the Bonds maturing on November 1, ____.

“Trustee” means _____, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

“Underwriter” means E. J. De La Rosa & Co., Inc. as the original purchasers of the Bonds upon their delivery by the Trustee on the Closing Date.

“Written Certificate,” “Written Request” and “Written Requisition” of the Corporation or the County mean, respectively, a written certificate, request or requisition signed in the name of the Corporation or the County by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Interpretation.

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

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

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,”

“hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II THE BONDS

Section 2.01 Authorization of Bonds. The Corporation hereby authorizes the issuance hereunder of the Bonds, which shall constitute special obligations of the Corporation, for the purpose of providing funds to the Corporation to finance the lease by the Corporation of the Leased Premises and the construction and acquisition of the Facilities. The Bonds are hereby designated the “County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013 (Public Defender and Information Technology Building Projects)” in the aggregate principal amount of _____ (\$ _____) to be initially issued and Outstanding under this Indenture. The Bonds shall be designated “County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender and Information Technology Building Projects)” in the aggregate principal amount of \$ _____. This Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02 Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds shall mature on November 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Interest on the Bonds shall be payable semi-annually calculated based on a 360-day year of twelve thirty day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the Owner at the address of such Owner as it appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated as of the date of authentication thereof, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before October 15, 2013, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. Whenever any Bond or Bonds shall be surrendered for transfer, the Corporation shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the County.

Section 2.04 Exchange of Bonds. Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond shall not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. The Trustee shall require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the County.

Section 2.05 Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall at all reasonable times, upon reasonable notice, be open to inspection during regular business hours by the Corporation, the County and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

Section 2.06 Form and Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Corporation with the manual or facsimile signature of its President and attested with the manual or facsimile signature of its Secretary or any assistant duly appointed by the Corporation, under the printed seal of the Corporation, and shall be delivered to the Trustee for authentication by it. In case any officer of the Corporation who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Corporation, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as

binding upon the Corporation as though the individual who signed the same had continued to be such officer of the Corporation. Also, any Bond may be signed on behalf of the Corporation by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication in substantially the forms set forth in Exhibit A and Exhibit B, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07 Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Corporation, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Corporation and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Corporation issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Corporation, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Corporation, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Trustee may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the County, the Corporation and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.08 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Corporation whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09 Cancellation of Bonds. All Bonds properly surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor or redemption thereof be cancelled immediately as more particularly provided in Section 11.05 hereof.

Section 2.10 CUSIP Numbers. "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the Corporation to use such CUSIP numbers in any notice to Owners shall not constitute an Event of Default or any violation of the Corporation's contract with such Owners and shall not impair the effectiveness of any such notice.

Section 2.11 Book-Entry Bonds.

(a) The Bonds shall be initially issued in the form of a single, separate fully registered Bond (which may be typewritten) in the full aggregate principal amount for each maturity of the Bonds, and upon initial issuance, the ownership of such Bonds shall be registered in the Bond register in the name of Cede & Co., as nominee of DTC, the initial Book-Entry Depository. Except as provided in the immediately preceding sentence or in subsection (e) of this Section, all of the Bonds shall be registered in the Bond register in the name of Cede & Co., or such other nominee of DTC or any successor Book-Entry Depository or the nominee thereof, as shall be specified pursuant to the applicable Representation Letter.

(b) With respect to Bonds registered in the Bond register in the name of the Book-Entry Depository, or its nominee, the Corporation shall have no responsibility or obligation to any participant or to any person on behalf of which such a participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Corporation shall have no responsibility or obligation with respect to the accuracy of the records of the Book-Entry Depository, the nominee of the Book-Entry Depository or any participant with respect to any ownership interest in the Bonds, the delivery to any participant or any other person, other than a holder as shown in the Bond register, of any notice with respect to the Bonds, or the payment to any participant or any other person, other than an Owner as shown in the Bond register, of any amount with respect to principal of or interest on the Bonds. The Corporation may treat and consider the person in whose name each Bond is registered in the Bond register as the Owner and absolute owner of such Bond for the purpose of payment of principal and interest on such Bond and for all other purposes whatsoever.

(c) The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Bond register on the applicable Record Date, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the Bonds under this Indenture and the Bonds to the extent of the sums so paid. Upon delivery by the Book-Entry Depository to the Corporation of written notice to the effect that the Book-Entry Depository has determined to substitute a new nominee in place of the incumbent nominee, and subject to the provisions herein with respect to Record Dates, the word nominee in this Indenture shall refer to such new nominee of the Book-Entry Depository.

(d) In order to qualify the Bonds for the Book-Entry Depository's book-entry system, the Program Administrator or the Treasurer of the Corporation is hereby authorized to execute and deliver on behalf of the Corporation to the Book-Entry Depository a Representation Letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (b) of this Section or in any other way impose upon the Corporation any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners as shown in the Bond register. In addition to the execution and delivery of the Representation Letter, the officers of the Corporation, and their authorized representatives, each are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for each Book-Entry Depository's book-entry program.

(e) In the event (i) the incumbent Book-Entry Depository determines not to continue to act as Book-Entry Depository for the Bonds, or (ii) the Corporation determines that the incumbent Book-Entry Depository shall no longer so act, and delivers a written certificate to the incumbent Book-Entry Depository to that effect, then the Corporation will discontinue the book-entry system for the Bonds with the incumbent Book-Entry Depository. If the Corporation determines to replace the incumbent Book-Entry Depository with another qualified Book-Entry Depository, the Corporation shall prepare or direct the preparation of and execute, and the Trustee shall authenticate and deliver, a new single, separate fully registered bond (which may be typewritten) for the aggregate outstanding principal amount for each maturity of the Bonds held by the incumbent Book-Entry Depository, registered in the name of such successor or substitute qualified Book-Entry Depository or its nominee, or make such other arrangement acceptable to the Corporation and the successor Book-Entry Depository as are not inconsistent with the terms of this Indenture. If the Corporation fails to identify another qualified successor Book-Entry Depository to replace the incumbent Book-Entry Depository, then the Bonds shall no longer be restricted to being registered in the Bond register in the name of the Book-Entry Depository or its nominee, but shall be registered in whatever name or names the Book-Entry Depository or its nominee shall designate. In such event the Corporation shall prepare or direct the preparation of and execute, and the Trustee shall authenticate and deliver to the Owners thereof, such Bonds as are necessary to carry out the transfers and exchanges provided in this Indenture. All such Bonds shall be in fully registered form in denominations authorized hereunder.

(f) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Book-Entry Depository or its nominee, all notices and payments with respect to principal of and interest on such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Book-Entry Depository.

ARTICLE III ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of the Bonds. At any time after the execution of this Indenture, the Corporation may execute and the Trustee shall authenticate and, upon the Written Request of the Corporation, deliver Bonds in the aggregate principal amount of _____ Dollars \$ _____).

Section 3.02 Application of Proceeds at Closing. The proceeds received from the sale of the Bonds (being \$ _____ in par amount of Bonds, less \$ _____ in Purchaser's discount, and less \$ _____ in original issue discount), shall be deposited in trust with the Trustee, who shall forthwith deposit such proceeds on the Closing Date as follows:

- (i) the Trustee shall deposit the amount of \$ _____ in the Costs of Issuance Fund;
- (ii) the Trustee shall deposit the amount of \$ _____ to the Series 2013A Bonds Account of the Project Fund; and
- (iii) the Trustee shall deposit the amount of \$ _____ to the Reserve Account.

For record keeping purposes, the Trustee may establish such accounts as may be necessary to reflect such transfer of proceeds.

Section 3.03 Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Written Requisitions of the County or the Corporation in a form acceptable to the Trustee stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Requisition of the County or Corporation shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On _____, or upon the earlier Written Request of the Corporation, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Project Fund.

Section 3.04 Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Project Fund." The Trustee shall disburse moneys in the Project Fund from time to time upon receipt by the Trustee of a Written Requisition of the County, as agent of the Corporation, which: (a) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, (iv) that each obligation mentioned therein is a proper charge against the respective account of the Project Fund and has not previously been disbursed by the Trustee from amounts in the Project Fund, (v) that all conditions precedent set forth in the Lease Agreement with respect to such disbursement have been satisfied, and (vi) that the amount of such disbursement is to purchase additional property or to improve the 2013 Projects; and (b) specifies in reasonable detail the nature of the obligation. Each such Written Requisition of the County or Corporation shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon the filing with the Trustee of a Written Certificate of the Corporation stating that the construction of any Facilities or the acquisition of any additional property has been completed or that all Written Requisitions intended to be filed by the Corporation have been filed, the Trustee shall withdraw all amounts then on deposit in the

Project Fund and transfer such amounts to the Bond Fund. Any funds deposited into the Bond Fund shall cause a corresponding proportionate credit to Lease Payments due from the County.

Section 3.05 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Corporation or the Trustee with respect to or in connection with the Lease Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV REDEMPTION OF BONDS

Section 4.01 Terms of Redemption.

(a) Sinking Account Redemption. (i) The Bonds maturing November 1, ____ are subject to mandatory redemption, in part by lot, from Sinking Account payments on November 1, ____, and on November 1 in each year thereafter to and including the respective date of maturity, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the Bonds have been redeemed pursuant to subsections (b) or (c) below, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Bonds so redeemed pursuant to this subsection (a) by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Corporation with the Trustee.

Bonds Maturing November 1, ____

Mandatory
Sinking Fund
Redemption Date
(November 1)

Principal
Amount
to Be Redeemed

(ii) In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Corporation prior to the selection of Bonds for redemption, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Term Bonds, as set forth in a Written Request of the Corporation.

(b) Optional Redemption. The Bonds maturing on or after November 1, ____, shall be subject to redemption at the option of the Corporation as a whole or in part, on any date on or after November 1, ____, from any available source of funds, a redemption price equal to the principal amount of the Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption.

(c) Special Mandatory Redemption From Insurance or Condemnation Proceeds. The Bonds shall also be subject to redemption as a whole or in part on any date, from Net Proceeds required to be used for such purpose as provided in Section 5.08, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

Section 4.02 Selection of Bonds for Redemption. Except for Sinking Account Redemption pursuant to Section 4.01(a), whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a series, the Trustee shall select the Bonds to be redeemed from all Bonds of a series or such given portion thereof not previously called for redemption from such series, maturities, or portion of such maturities, as shall be set forth in a Written Request of the Corporation filed with the Trustee, or in the absence of such designation of maturities by the Corporation, then on a pro rata basis among maturities of a series, and in any case, by lot within a maturity in any manner which the Trustee in its sole discretion shall deem to maintain substantially level debt service, provided, however, that the remaining portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination.

Section 4.03 Notice of Redemption. Notice of redemption shall be mailed by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the series of Bonds to be redeemed, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and, if less than all of the Bonds of a maturity are to be redeemed, Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Corporation, for and on behalf of the Corporation.

Section 4.04 Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Corporation shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Corporation, a new Bond or Bonds of such series and authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

Section 4.05 Conditional Notice of Optional Redemption of Bonds. With respect to the optional redemption of the Bonds pursuant to 4.01(b), the Corporation may instruct the Trustee to include a statement in the notice of redemption that such redemption is conditioned upon the receipt by the Trustee on or before the date fixed for such redemption of sufficient funds for such purpose. In the event that sufficient funds shall not have been deposited with the Trustee on or before the date fixed for redemption, the Trustee shall promptly so notify the Owners of the Bonds by telephone, facsimile transmission or other form of telecommunication, promptly confirmed in writing; and thereupon such redemption and the notice thereof shall be deemed to be canceled and rescinded.

Section 4.06 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee upon surrender thereof and destroyed.

ARTICLE V REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01 Pledge and Assignment; Bond Fund.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (excluding the following: 1) proceeds of the sale of the Bonds; 2) any amounts in the Costs of Issuance Fund; 3) any Additional Rent paid by the County to the Corporation pursuant to Section 4.08 of the Lease Agreement; and 4) excess earnings amounts to be rebated from Corporation to United States of America and any such amounts paid to Corporation by County for rebate to United States of America pursuant to Section 6.07 of this Indenture and Section 5.11 of the Lease Agreement) held in any fund or account established pursuant to this Indenture are hereby pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act. The Bonds constitute a special limited obligation of the Corporation, secured solely by the Revenues and the funds and accounts established under this Indenture and specifically available to pay debt service on the Bonds.

(b) The Corporation hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the rights of the Corporation in the Lease Agreement (other than the rights of the

Corporation under Sections 4.08, 7.03 and 8.03 thereof). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Corporation shall be deemed to be held, and to have been collected or received, by the Corporation as the agent of the Trustee and shall forthwith be paid by the Corporation to the Trustee which shall deposit such Revenues into the Bond Fund. The Trustee also shall be entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Corporation or separately, all of the rights of the Corporation and all of the obligations of the County under the Lease Agreement.

Section 5.02 Allocation of Revenues. On or before each date on which principal of or interest on the Bonds becomes due and payable, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all Bonds then Outstanding.

(b) The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such date.

(c) The Trustee shall deposit in the Sinking Account an amount equal to the aggregate principal amount of the Term Bonds required to be redeemed on such date, if any, pursuant to Section 4.01(a).

(d) The Trustee shall deposit in the Reserve Account an amount, if any, required to cause the amount on deposit in the Reserve Account to be equal to the Reserve Requirement.

Section 5.03 Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.04 Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Section 5.05 Application of Sinking Account. All moneys on deposit in the Sinking Account shall be used and withdrawn by the Trustee for the sole purpose of redeeming or purchasing (in lieu of redemption) Term Bonds pursuant to Section 4.01(a).

Section 5.06 Application of Reserve Account.

(a) Generally. All amounts in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of (i) paying principal of or interest on the Bonds, including the principal amount of any Term Bonds subject to mandatory Sinking Account redemption pursuant to Section 4.01(a), when due and payable to the extent that moneys deposited in the Interest Account, Principal Account or Sinking Account are not sufficient for such purpose, and (ii) making the final payments of principal of and interest on the Bonds. On the date on which all Bonds shall be retired hereunder or provision made therefor pursuant to Article X, all moneys then on deposit in the Reserve Account shall be withdrawn by the Trustee and paid to the County as a refund of overpaid Additional Lease Payments.

If, on any date, moneys on deposit in the Reserve Account, together with amounts then on deposit in the Bond Fund, are sufficient to pay all Outstanding Bonds, including all principal thereof and interest thereon, at the Written Request of the Corporation the Trustee shall transfer all amounts then on deposit in the Reserve Account, together with such amounts in the Bond Fund, to the Redemption Fund to be applied to the redemption of the Bonds in accordance with the provisions of Section 4.01(b). Any amounts remaining in the Reserve Account upon payment in full of all Outstanding Bonds, shall be withdrawn by the Trustee and paid to the County as a refund of overpaid Lease Payments. Any amounts on deposit in the Reserve Account on or before each Interest Payment Date in excess of the Reserve Requirement shall be transferred to the Rebate Fund. Nothing in this paragraph is intended or shall be construed to authorize or require the Trustee to draw amounts under the Reserve Account Credit Facility for the uses described in this paragraph.

(b) Reserve Account Credit Facility. The Reserve Requirement may be satisfied by crediting to the Reserve Account moneys and/or a Reserve Account Credit Facility which in the aggregate make funds available in the Reserve Account in an amount equal to the Reserve Requirement. Upon the deposit with the Trustee of a Reserve Account Credit Facility, the Trustee shall transfer moneys then on hand in the Reserve Account in excess of the Reserve Requirement (after giving effect to the Reserve Account Credit Facility) to the Corporation to be applied for any lawful purpose. In the event any such Reserve Account Credit Facility is so acquired, the Trustee shall draw on it in accordance with its terms when and if moneys are needed pursuant to the provisions of subsection (a);

The Corporation shall notify the Rating Agencies upon the deposit with the Trustee of a Reserve Account Credit Facility. Such Reserve Account Credit Facility shall have a term commensurate with the final maturity of the Bonds. Upon a down-grade of the Reserve Account Facility Provider or other termination of the Reserve Account Credit Facility, the Corporation shall substitute the Reserve Account Credit Facility with cash in the amount of the Reserve Requirement or a Substitute Reserve Account Credit Facility meeting the criteria established hereunder.

Notwithstanding any other provisions of this Indenture, any amounts invested in Permitted Investments in the Reserve Account shall (a) be valued at Fair Market Value and marked to market on each Lease Payment Date and (b) not have a maturity beyond five years

unless such investment is redeemable at par at any time for payment of debt service on the Bonds.

Section 5.07 Application of Redemption Fund. When required the Trustee shall establish and maintain the Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to Sections 4.01(b) or (c); provided, however, that at any time prior to giving notice of redemption of any such Bonds, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Written Request of the Corporation received prior to the selection of Bonds for redemption, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.08 Insurance and Condemnation Fund.

(a) **Establishment of Fund.** Upon the receipt of any proceeds of insurance or eminent domain with respect to any portion of the Leased Premises, the Trustee shall establish and maintain a separate Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section 5.08.

(b) **Application of Insurance Proceeds.** Any proceeds of insurance against accident to or destruction of the Facilities collected by the County in the event of any such accident or destruction shall be applied in accordance with Section 6.02(a) of the Lease Agreement. The County shall cause any such proceeds to be paid to the Trustee for deposit in the Insurance and Condemnation Fund. If the County fails to determine and notify the Trustee in writing of its determination, within forty-five (45) days following the date of such deposit, to replace, repair, restore, modify or improve the Facilities, then such proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds pursuant to Section 4.01(c); provided, however, that such redemption will occur only if the fair rental value of the remaining portion of the Leased Premises is sufficient to allow the County to continue to make Lease Payments in amounts sufficient to pay debt service on the Bonds that remain Outstanding after such redemption. Notwithstanding the foregoing sentence, however, in the event of damage or destruction of the Facilities in full, the proceeds of such insurance shall be used by the County to rebuild or replace the Facilities if such proceeds are not sufficient, together with other available funds then held by the Trustee, to redeem all of the Outstanding Bonds. All proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Redemption Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Facilities by the County, upon receipt of Written Requisitions of the County as agent for the Corporation (i) stating with respect to each payment to be made (A) the requisition number, (B) the name and address of the person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal; (ii) specifying in reasonable detail the nature of the obligation; and (iii) accompanied by a bill or a statement of account for such obligation. Each such Written Requisition of the County or Corporation shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of

such facts. Any balance of the proceeds remaining after such work has been completed as certified by the County as agent for the Corporation shall be paid to the County.

(c) Application of Eminent Domain Proceeds. If all or any part of the Leased Premises shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the proceeds therefrom shall be applied in accordance with Section 6.02(b) of the Lease Agreement. The County shall cause any such proceeds to be paid to the Trustee for deposit in the Insurance and Condemnation Fund, to be applied and disbursed by the Trustee as follows:

(i) If the County has not given written notice to the Trustee, within forty-five (45) days following the date on which such proceeds are deposited with the Trustee, of its determination that such proceeds are needed for the replacement of the Leased Premises or such portion thereof, the Trustee shall transfer such proceeds to the Redemption Fund to be applied towards the redemption of the Bonds pursuant to Section 4.01(c).

(ii) If the County has given written notice to the Trustee, within forty-five (45) days following the date on which such proceeds are deposited with the Trustee, of its determination that such proceeds are needed for replacement of the Leased Premises or such portion thereof, the Trustee shall pay to the County, or to its order, from said proceeds such amounts as the County may expend for such replacement, upon the filing of Written Requisitions of the County as agent for the Corporation in the form and containing the provisions set forth in subsection (b) of this Section 5.08 and upon which the Trustee may conclusively rely.

Section 5.09 Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Corporation pursuant to a Written Request of the Corporation filed with the Trustee at least two (2) Business Days in advance of the making of such investments (which Written Request shall certify that the investments constitute Permitted Investments). In the absence of any such directions from the Corporation, the Trustee shall invest any such moneys in Permitted Investments described in clause (g) of the definition thereof. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund, except that interest or gain derived from the investment of the amount in the Reserve Account shall be retained therein to the extent required to maintain the Reserve Requirement. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee, or an affiliate, may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.09. Permitted Investments that are registered securities shall be registered in the name of the Trustee.

The Corporation covenants that all investments of amounts deposited in any fund or account created-by or pursuant to this Indenture, or otherwise containing proceeds of the Bonds, shall be acquired and disposed of at the Fair Market Value thereof.

The Corporation and the County acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Corporation and the County, the right to receive brokerage confirmations of security transactions as they occur, the Corporation and the County specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Corporation and the County periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 5.10 Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued at the Fair Market Value thereof; provided, however, that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and investments in the Reserve Account shall be valued at their present value (within the meaning of Section 148 of the Tax Code), consisting generally of the cost thereof. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Corporation.

Section 5.11 [RESERVED]

Section 5.12 Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "Rebate Fund" (herein called the "Rebate Fund"). Within the Rebate Fund, the Trustee shall maintain such accounts as it is instructed by the Corporation as shall be necessary in order to comply with the terms and requirements of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the federal government of the United States of America, and no other person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 5.12, by Section 6.07 hereof and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Corporation, including supplying all necessary information in the manner provided in the Tax Certificate, shall not be required to take any actions thereunder in the absence of written directions by the Corporation, and shall have no liability or responsibility to enforce compliance by the Corporation or the County with the terms of the Tax Certificate.

(b) Upon the Corporation's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Corporation if and to the extent required, so that the balance of the amount on deposit thereto shall be equal to the amount of rebate to be paid to the United States of America. Computations of such rebate amount shall be prepared by the Corporation at the expense of the Corporation in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.12 other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by or on behalf of the Corporation.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments as instructed in writing by the Corporation, which instructions shall comply with the restrictions set forth in the Tax Certificate and Section 6.07 of this Indenture. Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) The Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as directed in writing by the Corporation. In addition, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by written directions from the Corporation. Any funds remaining in the Rebate Fund after redemption or payment of all of the Bonds and payment and satisfaction of any amount of rebate to be paid, or provision made therefor satisfactory to the Trustee shall be withdrawn and remitted to the Corporation upon the Corporation's written request after having first paid any unreimbursed amounts owing to the Trustee of any amounts due under the Lease Agreement or this Indenture.

(f) Notwithstanding any other provision of this Indenture, the obligation to remit the rebate amounts to the United States of America and to comply with all other requirements of this Section 5.12, Section 6.07 hereof and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

ARTICLE VI PARTICULAR COVENANTS

Section 6.01 Punctual Payment. The Corporation shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02 Extension of Payment of Bonds. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Corporation to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03 Against Encumbrances. The Corporation shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the

pledge and assignment created by this Indenture. Subject to this limitation, the Corporation expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Section 6.04 Power to Issue Bonds and Make Pledge and Assignment. The Corporation is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Corporation in accordance with their terms, and the Corporation and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whosoever.

Section 6.05 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Lease Agreement and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Corporation, and the County, during business hours, upon reasonable notice, and under reasonable circumstances. The Trustee shall deliver a monthly account of the funds and accounts hereunder to the Corporation, provided that the Trustee shall not be obligated to deliver any accounting of any fund or account that (a) has a balance of zero and (b) has not had any activity since the last reporting date.

Section 6.06 Additional Obligations. The Corporation may issue additional bonds, notes or other indebtedness which are payable out of the Revenues in whole or in part pursuant to Section 9.01(b)(v) hereof, to finance the construction of land, facilities or other capital improvements which are authorized by the laws of the State, so long as no Event of Default hereunder has occurred and is continuing and provided that the conditions of Section 8.03(v) of the Lease Agreement have been satisfied.

Section 6.07 Tax Covenants.

(a) The Corporation shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(b) The Corporation covenants and agrees that it will not make or permit any use of the proceeds of the Bonds or other funds of the Corporation which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code, and further covenants that it will observe and not violate the requirements of Sections 145 and 148 of the Code. The Trustee shall be entitled to receive and to rely upon a Counsel’s Opinion as to the conformity of any use or proposed use of the proceeds of the Bonds with the requirements of said Sections 145 and 148 of the Code.

(c) The Corporation shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(d) The Corporation shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

(e) Notwithstanding any provision of this Section, if the Corporation shall provide to the Trustee, an opinion of Bond Counsel that any action required under Section 5.12 or this Section 6.07 is no longer required, or that some further action is required to maintain the Tax-exempt status of interest on the Bonds, the Trustee and the Corporation may rely conclusively on such opinion in complying with the requirements of this Section, and the covenants contained herein shall be deemed to be modified to that extent.

Section 6.08 Lease Agreement. The Trustee shall promptly collect all amounts due from the County pursuant to the Lease Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Corporation and for the enforcement of all of the obligations of the County under the Lease Agreement.

Section 6.09 Payment. Notwithstanding any dispute between the Corporation and the Trustee, the Corporation will make all payments on the Bonds when due and will not withhold any payments on the Bonds pending the final resolution of such dispute or for any other reason whatsoever. The Corporation's obligation to make payments on the Bonds in the amount and on the terms and conditions specified hereunder will be absolute and unconditional without any right of set off or counterclaim, subject only to the provisions relating to abatement pursuant to the Lease Agreement.

Section 6.10 Further Assurances. The Corporation will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming the rights and benefits provided in this Indenture to the Bond Owners.

Section 6.11 Leased Premises. If an event of abatement occurs pursuant to Section 6.03 of the Lease Agreement, the Corporation shall use its best efforts to the extent permissible under the laws of the State of California to cause the County to make all Lease Payments in excess of the amount of rental interruption insurance, if necessary, in order to ensure the reconstruction, repair, restoration, modification or improvement of the Leased Premises; provided, however, that the County shall not be required to repair or replace any such portion of the Leased Premises pursuant to this Section 6.11 if Net Proceeds or other legally available funds sufficient to prepay the Bonds shall be applied to the redemption of either (i) all of the Bonds

Outstanding, or (ii) any portion thereof relating to the Leased Premises so damaged or destroyed, and (iii) the remaining Lease Payments allocable to the portion of the Leased Premises not damaged or destroyed equals the pro-rata portion of Lease Payments allocable to the Bonds Outstanding after such redemption.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Corporation in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Corporation by the Trustee; provided, however, that if in the reasonable opinion of the Corporation the default stated in the notice can be corrected, but not within such sixty (60) day period, such default shall not constitute an Event of Default hereunder if the Corporation shall commence to cure such default within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The occurrence and continuation of an event of default under and as defined in the Lease Agreement.

Section 7.02 No Acceleration Upon Event of Default. If any Event of Default shall occur there shall be no right on the part of the Trustee, or the Bondholders to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

Section 7.03 Application of Revenues and Other Funds After Default. Notwithstanding anything to the contrary contained herein, if an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First. To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second. To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.04 Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, with the prior written consent of the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds, this Indenture or any other law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.05 Bond Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with

law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability.

Section 7.06 Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Lease Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Lease Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07 Absolute Obligation of Corporation. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08 Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Corporation, the Trustee, and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Corporation, the Trustee, and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.09 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee, or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee, or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII THE TRUSTEE

Section 8.01 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Corporation may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and the Corporation shall remove the Trustee if at any time requested to do so by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and the County and thereupon shall appoint a successor Trustee by an instrument in writing. In addition, the Trustee may be removed at any time for any breach of the trust herein set forth. Any such removal shall be made upon at least thirty (30) days' prior written notice to the Trustee. Upon giving such written notice of removal, the Corporation shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Corporation, and to the County and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Corporation shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that no removal resignation or termination of the Trustee shall take effect until a successor shall be appointed. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the Corporation shall, and the Trustee may, petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Corporation and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Corporation or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Corporation shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Corporation shall mail or cause the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Bond Owners at the addresses shown on the Registration Books. If the Corporation fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Corporation.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a corporation or association included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by federal or State agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining agency above referred to then for the purpose of this subsection (e), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) The Corporation covenants that it will maintain a Trustee qualified under the provisions of the foregoing subsection (e), so long as any Bonds are Outstanding.

Section 8.02 Merger or Consolidation. Any bank, association or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, association or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall not be taken as statements of the Corporation, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Lease Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Corporation or the County of any of the terms, conditions, covenants or agreements herein, under the Lease Agreement or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default or an event which

would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the County and the Corporation of the terms, conditions, covenants or agreements set forth in the Lease Agreement, other than the covenants of the County to make Additional Lease Payments to the Trustee when due and to file with the Trustee, when due, such reports and certifications as the County is required to file with the Trustee thereunder.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it is not assured to its satisfaction that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture and the Lease Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of Section 8.01(a), this Section 8.03 and Section 8.04 hereof.

(j) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Corporation or the County of the Leased Premises. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Indenture for the existence, furnishing or use of the Leased Premises.

(l) The Trustee may establish such funds and accounts hereunder as it deems necessary or appropriate to perform its obligations hereunder.

(m) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Corporation or County elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Corporation and the County agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(o) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

Section 8.04 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, requisition, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Corporation, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking

or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Corporation or the County, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Section 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in their respective possession and shall be subject at all reasonable times to the inspection of the Corporation, the County and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06 Compensation and Indemnification. The Corporation shall pay to the Trustee (solely from Additional Rent) from time to time the compensation for all services rendered under this Indenture and also all reasonable expenses and disbursements, incurred in and about the performance of its powers and duties under this Indenture.

To the extent permitted by law, the Corporation shall indemnify, defend and hold harmless the Trustee and its officers, directors, agents and employees, against any loss, liability or expense (including legal fees and expenses) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Corporation under this Section 8.06 shall survive the discharge of the Bonds and this Indenture and the resignation or removal of the Trustee.

ARTICLE IX MODIFICATION OR AMENDMENT HEREOF

Section 9.01 Amendments Permitted.

(a) This Indenture and the rights and obligations of the Corporation and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Corporation and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and

other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Corporation, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Corporation and the Trustee may enter into without the consent of any Bond Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Corporation in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Corporation;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Corporation may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners, in the opinion of Bond Counsel filed with the Trustee;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Tax Code; or

(v) to facilitate the issuance of additional bonds of the Corporation secured by Lease Payments of the County pursuant to Section 8.03(v) of the Lease Agreement.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been executed and delivered in compliance with the requirements of this Indenture and that the execution and delivery of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Bonds.

(e) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Corporation, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Corporation and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Corporation and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same series and maturity.

Section 9.04 Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by him.

ARTICLE X DEFEASANCE

Section 10.01 Discharge of Indenture. Any or all of the Outstanding Bonds may be paid by the Corporation in any of the following ways, provided that the Corporation also pays or causes to be paid any other sums payable hereunder by the Corporation:

- (a) by paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or
- (c) by delivering to the Trustee, for cancellation by it, all of such Bonds.

If the Corporation shall also pay or cause to be paid all other sums payable hereunder by the Corporation, then and in that case, at the election of the Corporation (evidenced by a Written Certificate of the Corporation, filed with the Trustee, signifying the intention of the Corporation to discharge all such indebtedness and this Indenture), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Corporation under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Corporation, the Trustee shall execute and deliver to the Corporation all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the County all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption.

Section 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Corporation in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Sections 10.04.

The Corporation may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Corporation may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to the redemption date; or

(b) non-callable Federal Securities, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the County, the Corporation

and the Trustee, provide money sufficient to pay the principal of and interest and premium (if any) on the Bonds to be paid or redeemed, as such principal, interest and premium become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Corporation) to apply such money to the payment of such principal, interest and premium (if any) with respect to such Bonds, and (ii) the Corporation shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above).

Section 10.04 Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of such Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when such Bonds became due and payable, shall be repaid to the Corporation free from the trusts created by this Indenture upon receipt of a Written Request of the Corporation, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided/ however, that before the repayment of such moneys to the Corporation as aforesaid, the Trustee shall (at the cost of the County) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Corporation of the moneys held for the payment thereof.

ARTICLE XI MISCELLANEOUS

Section 11.01 Liability of Corporation Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Corporation shall not be required to advance any moneys derived from any source other than the Revenues under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Corporation may, but shall not be required to, advance for any of the purposes hereof any legally available funds of the Corporation which may be made available to it for such purposes.

Section 11.02 Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Corporation, the Trustee, the County, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Corporation, the Trustee, the County, and the Owners of the Bonds.

Section 11.03 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.04 Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Corporation of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and deliver a certificate of such destruction to the Corporation upon its request.

Section 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07 Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) otherwise, upon actual receipt. The Corporation, the County, or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Corporation: County of Riverside Asset Leasing Corporation
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3651
Attention:

If to the County: County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3651
Attention: Deputy County Executive Officer

If to the Trustee: Wells Fargo Bank, N.A.
707 Wilshire Blvd., 17th Floor
Los Angeles, CA 90017
Attention: Corporate Trust

Section 11.08 Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Corporation if made in the manner provided in this Section 11.07.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Corporation in accordance therewith or reliance thereon.

Section 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Corporation or the County, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Corporation or the County or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Corporation or the County or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Corporation and the County shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11 Waiver of Personal Liability. No member, officer, agent or employee of the Corporation shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.12 Benefit of Parties. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Corporation, the County, the Trustee, and the registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation shall be for the sole and exclusive benefit of the Corporation, the County, the Trustee, and the registered Owners of the Bonds.

Section 11.13 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Corporation or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Corporation or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.14 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Corporation and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.15 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

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IN WITNESS WHEREOF, the COUNTY OF RIVERSIDE ASSET LEASING CORPORATION has caused this Indenture to be signed in its name by its Authorized Officer, and WELLS FARGO BANK, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its name by its officer thereunto duly authorized, all as of the day and year first above written.

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

By _____
Authorized Officer

ATTEST:

Secretary

WELLS FARGO BANK, N.A.,
as Trustee

By _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. R- _____

***\$ _____ ***

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION
LEASE REVENUE BONDS, SERIES 2013A
(PUBLIC DEFENDER AND INFORMATION TECHNOLOGY BUILDING PROJECTS)

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), for value received, hereby promises to pay to the registered owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before _____ in which event it shall bear interest from the Date of Delivery; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on each May 1 and November 1, commencing _____ (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office (the "Office") of Wells Fargo Bank, N.A., as trustee (the "Trustee"), in Los Angeles, California or such other place as designated by the Trustee. Interest hereon is payable by check of the Trustee mailed on the applicable Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee (at least five days prior) to such Record Date by a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such Registered Owner in such written request.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender and Information Technology Building Projects)" (the "Bonds"), in an aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of the laws of the State of California, and pursuant to an Indenture of Trust, dated as of _____, 2013, by and between the Corporation and the Trustee (the "Indenture") and a resolution of the governing body of the Corporation adopted on _____, 2013, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Corporation) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Corporation thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Corporation to aid in financing the leasing by the Corporation of certain land and public facilities to be leased to the County of Riverside (the "County") pursuant to the hereinafter described Lease Agreement, by and between the Corporation and the County.

This Bond and the interest and premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the Corporation, and are payable from, and are secured by a charge and lien on the Revenues as defined in the Indenture, consisting primarily of lease payments payable by the County for the use and possession of certain land and improvements (the "Leased Premises") pursuant to a Lease Agreement dated as of _____, 2013, by and between the Corporation as lessor and the County as lessee (the "Lease Agreement"). As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The rights and obligations of the Corporation and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected.

The Bonds maturing on or before November 1, _____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after November 1, _____, are subject to redemption at the option of the Corporation as a whole or in part, on any date on or after November 1, _____ from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption.

The Bonds maturing on November 1, ____, are also subject to mandatory redemption, in part by lot, from Sinking Account payments on November 1 in each year in the amounts as set forth in the Indenture at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of such Bonds have been redeemed pursuant to the foregoing or following redemption provisions, the total amount of Sinking Account payments to be made with respect to such Bonds on November 1 in each year subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Corporation with the Trustee.

The Bonds are also subject to redemption as a whole or in part, on any date, from any Net Proceeds (as such term is defined in the Indenture) of hazard or title insurance proceeds not used to repair or replace any portion of the Leased Premises or condemnation proceeds received with respect to the Leased Premises and elected by the County to be used for such purpose pursuant to the Lease Agreement, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Office of the Trustee for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Corporation and the Trustee shall not be affected by any notice to the contrary.

This Bond is a special limited obligation of the Corporation and is payable solely by the Revenues and amounts pledged therefore. Neither this Bond nor the obligation of the County to make payments under the Lease Agreement constitutes a debt of the County, the State of

California or any political subdivision thereof within the meaning of the Constitution of the State of California.

It is hereby certified, recited and declared by the Corporation that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Bond Law and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Corporation, does not exceed any limit prescribed by the Bond Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the County of Riverside Asset Leasing Corporation has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairman, all as of the Original Issue Date specified above.

COUNTY OF RIVERSIDE ASSET LEASING
CORPORATION

By _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

WELLS FARGO BANK, N.A., as Trustee

By _____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

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AGENCY AGREEMENT

**COUNTY OF RIVERSIDE ASSET LEASING CORPORATION
LEASE REVENUE BONDS, SERIES 2013A
(PUBLIC DEFENDER AND INFORMATION TECHNOLOGY BUILDING PROJECTS)**

Dated as of _____, 2013

by and between

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

and

COUNTY OF RIVERSIDE

AGENCY AGREEMENT

THIS AGENCY AGREEMENT is made and entered into as of the 1st day of _____, 2013 by and between the COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit public benefit corporation duly organized and existing under ITS Articles of Incorporation and by virtue of the laws of the State of California (the "Corporation") and the COUNTY OF RIVERSIDE, a division of the State organized and existing under the laws of the State of California (the "County").

WITNESSETH

WHEREAS, the Corporation and the County have entered into a Lease Agreement (the "Lease Agreement"), dated as of the date hereof, whereby the Corporation agrees to lease various public facilities for the purpose of financing buildings which will house the Office of the Public Defender and the Information and Technology Department of the County (the "Project") described in Exhibit A attached hereto; and

WHEREAS, it is in the interests of the Corporation and the County that the Corporation appoint the County as its agent for the purposes of the acquisition, construction and installation of the Project, and the Corporation has agreed in the Lease Agreement to appoint the County as its agent for such purposes.

COVENANTS

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other valuable consideration, the parties agree as follows:

Section 1. Definitions. All words and phrases defined in Article I of the Lease Agreement shall have the same meaning in this Agency Agreement.

Section 2. Appointment of County. The Corporation hereby appoints the County as its agent to carry out all phases of the acquisition, construction, installation and maintenance of the Project and the County, as agent of the Corporation, assumes all rights, duties, responsibilities and liabilities of the Corporation regarding the acquisition, construction, installation and maintenance of the Project, except as limited herein. The appointment by the Corporation of the County as its agent as provided in this Section and the acceptance by the County of such appointment results in the assumption by the County of duties, responsibilities and liabilities which are separate and apart from its duties, responsibilities and liabilities under the Lease Agreement, and such assumption does not include or transfer to the County any of the rights or obligations of the Corporation under the Lease Agreement which have been assigned by the Corporation to the Trustee pursuant to the Indenture.

Section 3. Contracts and Payments. The County, as agent of the Corporation, may enter into any purchase order, construction management agreement, architecture or engineering contract or construction contract required for the design, construction, installation and completion of the Project upon being assured that moneys sufficient for the payment thereof are

then on deposit in the Project Fund established pursuant to Section 3.04 of the Indenture. In the event that moneys on hand in the Project Fund are insufficient to complete the Project, then the County shall use its lawfully available funds to complete the Project.

Section 4. Description of Project. The County, as agent of the Corporation, shall have the right to make any changes in the description of the Project or of any component thereof whenever the County deems such changes to be necessary and appropriate; provided that any such change shall not alter the essential nature of the Project or impair the ability of the County to make Lease Payments under the Lease Agreement, and that an increase in the Project costs shall not result from such change, unless the County deposits in the Project Fund an amount sufficient to pay such increase.

Section 5. Supervision of Construction and Installation. The County, as agent of the Corporation, shall have sole responsibility for and shall supervise construction of the Project and the purchase and installation of any personal property constituting a part of the Project. The County shall monitor the performance by any construction manager and by the construction contractors to the extent the County deems appropriate. The County shall permit the Corporation, or its assignee, to inspect construction at any and all reasonable times which are deemed appropriate by the Corporation, or its assignee.

Section 6. Enforcement of Contracts. The Corporation hereby assigns to the County all rights and powers to enforce in its own name or the name of the Corporation such purchase orders or contracts as are required for design, construction, purchase and completion of the Project, which enforcement may be at law or in equity; provided that the assignment made by the Corporation herein shall not prevent the Corporation, or its assignee, from asserting such rights and powers in its own behalf.

Section 7. Limited Obligation. The Corporation shall not be responsible for providing, nor shall it or the Trustee provide from the proceeds of the Bonds, for the payment of Project costs in an amount greater than the amount of said proceeds and other funds to be deposited by the Trustee in the Project Fund pursuant to the Indenture.

Section 8. Inspection of Records. The Corporation shall have the right to inspect periodically the books and records of the County relating to the design, acquisition, construction and installation of the Project, and the County shall permit the Corporation to make such inspections thereof at all reasonable times as the Corporation shall deem appropriate.

Section 9. Time of Completion. The acquisition, construction and installation of the Project shall be completed on or prior to _____, 2016. The County shall assure that all construction contracts or the construction management agreement, whichever the County deems appropriate, shall contain a provision for liquidated damages in a manner to be determined by the County.

Section 10. Plans and Specifications. The County agrees that it will assure that the Project will be acquired, constructed and installed in accordance with final plans and specifications approved by the Corporation. No changes or modifications which require an

amendment to a pre-existing building permit shall be made in or to the final plans and specifications unless such changes or modifications are approved in writing by the County. Upon completion of construction and installation of the Project, the County will assure that there is filed with the Trustee a certificate of completion executed by the County Representative and stating that such construction and installation has been completed in accordance with the plans and specifications therefor approved by the County.

Section 11. Prevailing Wages. Each contract entered into between the County, as the agent for the Corporation, and any contractor shall provide that such contractor shall pay not less than the general prevailing rate of wages as determined in accordance with Sections 1770 *et seq.* of the Labor Code.

Section 12. Nondiscrimination. Each contract entered into between the County, as the agent for the Corporation, and any contractor shall provide that such contractor shall not discriminate against any other contractor or any employee or applicant for employment because of the race, religious creed, color, national origin or sex of such person, unless based upon a bona fide occupational qualification. In addition, in selecting contractors or in employing persons for the purposes of construction or construction management, the County shall not discriminate on the basis of race, religious creed, color, national origin, or sex of such person, unless based upon a bona fide occupational qualification.

Section 13. Performance Security. Each construction contractor hired by the County, on behalf of the Corporation, shall be required to provide payment and performance bonds in amounts equal to the maximum price under its contract.

Section 14. Binding Effect. This Agency Agreement shall inure to the benefit of and shall be binding upon the Corporation, the County and their respective successors and assigns.

Section 15. Severability. In the event any provision of this Agency Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Amendments, Changes and Modifications. This Agency Agreement may not be effectively amended, changed, modified, altered or terminated without the written agreement of both parties hereto.

Section 17. Execution in Counterparts. This Agency Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 18. Applicable Law. This Agency Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 19. Headings. The captions or headings in this Agency Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agency Agreement.

Section 20. Notices. Any notices or filings required to be given or made under this Agency Agreement shall be served, given or made in writing upon the County by personal delivery or registered mail addressed to:

County of Riverside
County Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3651
Attention: Deputy County Executive Officer

and upon the Corporation by personal delivery or registered mail addressed to:

County of Riverside Asset Leasing Corporation
c/o County Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3651
Attention: _____

or at such other place as may be designated by either party in writing.

IN WITNESS WHEREOF, the County has caused this Agency Agreement to be executed by its officers, and the Corporation has caused this Agency Agreement to be executed by its authorized officer, all as of the day and year first above written.

COUNTY OF RIVERSIDE

By: _____
County Executive Officer

ATTEST:

Clerk of the County Board of Supervisors

(SEAL)

COUNTY OF RIVERSIDE ASSET LEASING
CORPORATION

By: _____
Authorized Signatory

ATTEST:

Secretary

(SEAL)

Recording requested by
and return to:

Kim Byrens
Best Best & Krieger LLP
3390 University Ave., 5th Floor
Riverside, CA 92501

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

GROUND LEASE AGREEMENT

Dated as of _____, 2013

by and between

COUNTY OF RIVERSIDE,
as Lessor

and

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION,
as Lessee

GROUND LEASE AGREEMENT

This GROUND LEASE AGREEMENT (this "Ground Lease") dated as of _____, 2013 is made and entered into by and between the COUNTY OF RIVERSIDE (the "County"), a division of the State of California, as lessor, and COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (the "Corporation"), a non-profit public benefit corporation existing under and by virtue of its Articles of Incorporation and the laws of the State of California, as lessee.

WITNESSETH

WHEREAS, the County intends to finance the acquisition, construction, improvement, furnishing and equipping of buildings to house the Offices of the Public Defender of the County and Information and Technology Department of the County (the "2013 Projects") by leasing certain property, together with any facilities thereon, described in Exhibit A (the "Leased Premises") to the Corporation and leasing back the Leased Premises from the Corporation pursuant to a Lease Agreement, described below; and

WHEREAS, the Board of Supervisors of the County has determined that it is in the best interests of the County and for the common benefit of the citizens of the County to finance the 2013 Projects; and

WHEREAS, the County is authorized by Sections 25521 and 25524 of the Government Code of the State of California to lease the Leased Premises as lessor and has duly authorized the execution and delivery of this Ground Lease; and

WHEREAS, the Corporation is authorized to lease the Leased Premises as lessee and has duly authorized the execution and delivery of this Ground Lease;

NOW, THEREFORE, for and in consideration of the premises, which are expressly made a part hereof, the sum of One Dollar (\$1.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual covenants hereinafter contained, the parties agree as follows:

**ARTICLE I
DEFINITIONS**

All words and phrases defined in Article I of the Lease Agreement dated as of _____, 2013 by and between the County and the Corporation (the "Lease Agreement") shall have the same meaning in this Ground Lease.

**ARTICLE II
DEMISING CLAUSES**

The County hereby leases to the Corporation, and the Corporation leases from the County, for the benefit and on behalf of the Bond Owners, the Leased Premises, subject only to Permitted Encumbrances, in accordance with the provisions of this Ground Lease, to have and to hold for the term of this Ground Lease, for valuable consideration which is hereby acknowledged. It is intended that no merger of the leasehold estates of the County shall occur by operation of law by the leasing of the Leased Premises to the County pursuant to the Lease Agreement.

ARTICLE III QUIET ENJOYMENT

The parties intend that the Leased Premises will be leased back to the County pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if an Event of Default occurs under the Lease Agreement, the Corporation, or its assignee, will have the right, for the then remaining term of this Ground Lease, to sublease the Leased Premises. Subject to any rights the County may have under the Lease Agreement (in the absence of an Event of Default) to possession and enjoyment of the Leased Premises, the County hereby covenants and agrees that it will not take any action to prevent the Corporation from having quiet and peaceable possession and enjoyment of the Leased Premises during the term hereof and will, at the request of the Corporation and at the County's cost, to the extent that it may lawfully do so, join in any legal action in which the Corporation asserts its right to such possession and enjoyment.

ARTICLE IV SPECIAL COVENANTS

Section 4.01 Waste. The Corporation agrees that at all times that it is in possession of the Leased Premises, it will not commit, suffer or permit any waste on the Leased Premises, and that it will not willfully or knowingly use or permit the use of the Leased Premises for any illegal purpose or act.

Section 4.02 Further Assurances and Corrective Instruments. The County and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Premises hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease and the Lease Agreement.

Section 4.03 Environmental Compliance.

(a) The County has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased Premises or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Leased Premises (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the County nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Leased Premises has, other than as set forth in subsections (b) and (c) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA,

TACA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the County, any of the Property or the business operations conducted by the County thereon (collectively "Hazardous Materials") on, from or beneath its Leased Premises, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Materials on, from or beneath the Leased Premises, or (iii) stored any material amount of petroleum products at the Leased Premises in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operations of a facility, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No Leased Premises are located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Leased Premises.

(d) The Corporation shall not use or permit the Leased Premises or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Leased Premises and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Leased Premises or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a facility, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the Corporation shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the County, all investigations, studies, sampling and testing, and all remedial removal and other actions necessary to clean up and remove all Hazardous Materials so Released, on, from or beneath the Leased Premises or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Leased Premises.

(e) The Corporation shall comply with, and shall use its best efforts to assure that its tenant's subtenants, agents, licensees, employees, contractors, and agents comply with, all Environmental Regulations and shall keep the Leased Premises free and clear; provided, however, that notwithstanding that a portion of this covenant is limited to the Corporation's use of its best efforts, the Corporation shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Corporation's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any person with regard to the Release of

Hazardous Materials on, from or beneath the Leased Premises, the Corporation shall give prompt written notice thereof to the Insurer (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(f) Irrespective of whether any representation or warranty contained in this Section is not true or correct, the Corporation shall defend, indemnify and hold harmless the County, the holders of Bonds, the Trustee, its partners, and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification), consultants' fees, investigation and laboratory fees, liabilities, settlements (five Business Days' prior notice of which the County or Trustee, as appropriate, shall have delivered to the Corporation), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Leased Premises, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five Business Days' prior notice of which the County or the Trustee, as appropriate, shall have delivered to the Corporation), or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Premises, (iv) any violation of Environmental Regulations or subsection (a) or (b) or (e) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Corporation is strictly liable under any Environmental Regulation, its obligation to the holders of Bonds and the Insurer and other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section shall survive any remedy of the security interest in the Leased Premises and the satisfaction of all Bonds.

(g) The Corporation shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

ARTICLE V

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 5.01 Assignment and Subleasing. This Ground Lease may be assigned and the Leased Premises subleased, as a whole or in part, by the Corporation, without the necessity of obtaining the consent of the County, if an Event of Default occurs under the Lease Agreement. The Corporation shall within thirty (30) days after such an assignment or sublease, furnish or cause to be furnished to the County a true and correct copy of such assignment or sublease, as the case may be.

The Corporation may assign any of its rights hereunder to the Trustee appointed pursuant to the Indenture of Trust.

Section 5.02 Restrictions on County. The County, as Lessor hereunder, agrees that it will not mortgage, sell, encumber, assign, transfer or convey the Leased Premises or any portion thereof during the term of this Ground Lease.

ARTICLE VI TERM

The term of this Ground Lease shall commence as of the date hereof and shall remain in full force and effect from such date to and including November 1, ____; provided, however, that this Ground Lease shall be terminated ten business days subsequent to either of the following dates:

(a) The date on which the County exercises its option to prepay the Lease Payments and prepay all lease payments for the Leased Premises pursuant to Article IV of the Lease Agreement by paying the then applicable Option Price as set forth in the Lease Agreement; or

(b) If no Event of Default has occurred under the Lease Agreement, the last day of the Term of the Lease Agreement, provided the County has paid to the Corporation, or its assignee, all Lease Payments, Miscellaneous Rent and other payments which may be due under the Lease Agreement during the entire Lease Term of the Lease Agreement;

Provided, further, that if on November 1, ____, any Bond is still Outstanding, the term of this Ground Lease shall be extended until 10 days after payment in full of all the Bonds, but in no event later than ten (10) years from the date of final maturity of the Bonds.

ARTICLE VII MISCELLANEOUS

Section 7.01 Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the County, the Corporation and their respective successors and assigns.

Section 7.02 Severability. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.03 Amendments, Changes and Modifications. This Ground Lease may not be effectively amended, changed, modified, altered or terminated without the written agreement of both parties hereto.

Section 7.04 Execution in Counterparts. This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.05 Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 7.06 Captions. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

IN WITNESS WHEREOF, the County has caused this Ground Lease to be executed in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers, and the Corporation has executed this Ground Lease in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers. All of the above occurred as of the date first above written.

COUNTY OF RIVERSIDE, as Lessor

By: _____
Chairman, Board of Supervisors

[SEAL]

ATTEST:

Clerk of the Board of Supervisors

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, as Lessee

By: _____
Authorized Signatory

[SEAL]

ATTEST:

Secretary

EXHIBIT A

DESCRIPTION OF LEASED PREMISES

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

LEASE AGREEMENT

Dated as of _____, 2013

by and between the

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION,
as lessor

and the

COUNTY OF RIVERSIDE,
as lessee

Relating to

\$ _____

County of Riverside Asset Leasing Corporation
Lease Revenue Bonds
Series 2013A

(Public Defender and Information Technology Building Projects)

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of _____, 2013, is by and between the COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit public benefit corporation organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the COUNTY OF RIVERSIDE, a division of the State organized and existing under the laws of the State of California, as lessee (the "County");

WITNESSETH:

WHEREAS, the Corporation is a non-profit public benefit corporation duly organized and existing under its Articles of Incorporation and the laws of the State; and

WHEREAS, the Corporation is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities including the County, and to provide financing for public capital improvements of public entities including the County and to lease and lease back such public capital improvements including the land on which the public capital improvements are or will be located; and

WHEREAS, the Corporation has leased certain parcels (the "Sites") from the County pursuant to a Ground Lease Agreement, dated _____, 2013, by and between the County, as lessor, and the Corporation, as lessee (the "Ground Lease"), and wishes to lease the Leased Premises, defined herein, to the County pursuant to the laws of the State of California to enter into leasehold agreements for such purpose; and

WHEREAS, the Corporation shall lease the Leased Premises to the County to acquire, construct and improve buildings that will house the Office of the Public Defender of the County and the Information and Technology Department of the County and the rent on the Leased Premises shall provide amounts sufficient to pay the principal of and interest on the Bonds (as defined herein); and

WHEREAS, the 2013 Projects constitute a public capital improvement for the benefit of the County; and

WHEREAS, for the purpose of providing moneys to acquire or construct the facilities of the County, the Corporation proposes to issue its \$_____ aggregate principal amount Lease Revenue Bonds, Series 2013A (Public Defender and Information Technology Building Projects) (the "Bonds") under that certain Indenture of Trust dated as of _____, 2013 (the "Indenture") by and between the Corporation and Wells Fargo Bank, N.A., as trustee; and

WHEREAS, all conditions to the execution and delivery of this Lease Agreement have been satisfied and the Corporation and the County are duly authorized to execute and deliver this Lease Agreement;

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

ARTICLE I
DEFINITIONS AND EXHIBITS

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

“Additional Rent” means the amounts of additional rent which are payable by the County pursuant to Section 4.08.

“Corporation” means the County of Riverside Asset Leasing Corporation.

“County” means the County of Riverside.

“Event of Default” means any of the events of default defined as such in Section 9.01.

“Facilities” means all of the buildings, improvements and related infrastructure necessary for the Information and Technology Department Building, and the Interim Site and Facilities, and described in any amendment to this Lease Agreement hereto and by this reference incorporated herein.

“Fiscal Year” means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period established by the County as its fiscal year pursuant to written notice filed with the Corporation and the Trustee.

“Ground Lease” means the Ground Lease Agreement, dated as of the date hereof, by and between the County, as lessor, and the Corporation, as lessee.

“Hazardous Substance” means any substance, pollutant or contamination included in such (or any similar) term under any federal, state or local statute, law, ordinance, code or regulation now in effect or hereafter enacted or amended.

“Indenture” means the Indenture of Trust dated as of _____, 2013, by and between the Corporation and the Trustee, together with any duly authorized and executed amendments thereto.

“Information and Technology Building” means the buildings located at 3450 Fourteenth Street and 3478 Fourteenth Street, Riverside, California 92501, and described in Exhibit A attached hereto.

“Interim Site and Facilities” means the Northwest Animal Shelter, 4200 Orange Street, and the First American Title building, as described in Exhibit A hereto.

“Lease Payment Date” means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

“Lease Payments” means the amounts payable by the County pursuant to Section 4.03(a), including any prepayment thereof pursuant hereto and including any amounts payable upon a delinquency in the payment thereof.

“Leased Premises” means the Sites and Facilities described herein.

“Offices of the Public Defender” means the office building to be improved, located at 4075 Main Street, Riverside, California 92501 and as described in [Exhibit A-1] hereto.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may permit to remain unpaid pursuant to Article V; (b) the Ground Lease; (c) this Lease Agreement, the Indenture and any other agreement or other document contemplated hereunder to be recorded against the Site; (d) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the County certifies in writing will not materially impair the use of the Site for their intended purposes.

“Sites” means the real property described in Exhibit A attached hereto.

“Sublease” means the existing tenant leases with respect to the Leased Premises.

“Term” means the time during which this Lease Agreement and the Ground Lease are in effect, as provided in Section 4.02.

“Trustee” means Wells Fargo Bank, N.A. or any successor thereto acting as Trustee pursuant to the Indenture.

Section 1.02 Exhibits. The following exhibits are attached to, and by this reference made a part of, this Lease Agreement.

Exhibit A: Legal Description of the Leased Premises.

Exhibit A-1: Legal Description of the Office of the Public Defender.

Exhibit B: Schedule of Lease Payments.

Exhibit C: Option Price.

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01 Representations, Covenants and Warranties of the County. The County makes the following covenants, representations and warranties to the Corporation as of the date of the execution and delivery of this Lease Agreement:

(a) Due Organization and Existence. The County is a division of the State duly organized and validly existing under the laws of the State, has full legal right, power and authority under the laws of the State to enter into this Lease Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the County has duly authorized the execution and delivery of this Lease Agreement.

(b) Due Execution. The representatives of the County executing this Lease Agreement have been fully authorized to execute the same pursuant to a resolution duly adopted by the Board of Supervisors of the County.

(c) Valid, Binding and Enforceable Obligations; Defense of Rights. This Lease Agreement has been duly authorized, executed and delivered by the County, and if properly executed by the parties to it, constitutes the legal, valid and binding agreement of the County enforceable against the County in accordance with the terms hereof subject to bankruptcy, insolvency, reorganization or other similar laws, affecting the enforcement of creditors' right in general and by general equity principles. The County hereby covenants to defend all of its rights under this Lease and the Ground Lease.

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

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

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

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

(g) Use of Leased Premises; Essentiality. The Leased Premises shall be used solely for the purpose of providing offices for the Public Defender's Offices and Information and Technology Services for the County. The Leased Premises and the Interim Site and Facilities constitute property that is essential to carrying out the governmental functions of the County.

Section 2.02 Representations, Covenants and Warranties of Corporation. The Corporation makes the following covenants, representations and warranties to the County as of the date of the execution and delivery of this Lease Agreement:

(a) Due Organization and Existence. The Corporation is a non-profit public benefit corporation duly organized and existing under and by virtue of the laws of the State; has power to enter into this Lease Agreement, the Ground Lease and the Indenture; is possessed of full power to own and hold, improve and equip real and personal property, and to lease the same; and has duly authorized the execution and delivery of each of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(b) Due Execution. The representatives of the Corporation executing this Lease Agreement and the Indenture are fully authorized to execute the same pursuant to official action taken by the governing body of the Corporation.

(c) Valid Binding and Enforceable Obligations; Defense of Rights. This Lease Agreement and the Indenture have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' right in general and by general equity principles. The Corporation hereby covenants to defend all of its rights under this Lease Agreement and the Ground Lease.

(d) No Conflicts. The execution and delivery of this Lease Agreement and the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any

prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement and the Indenture or the financial condition, assets, properties or operations of the Corporation.

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

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

ARTICLE III THE BONDS

Section 3.01 The Bonds. The Corporation has authorized the issuance of the Bonds pursuant to the Indenture in the aggregate principal amount of _____ Dollars (\$ _____). The Corporation agrees that the proceeds of sale of the Bonds shall be paid to the Trustee on the Closing Date for deposit and application pursuant to the terms and conditions of the Indenture. The County hereby approves the Indenture, the assignment to the Trustee of the rights of the Corporation assigned or purported to be assigned thereunder, and the issuance of the Bonds by the Corporation thereunder.

Section 3.02 Financing of 2013 Projects; Leasing of Leased Premises. The Corporation and the County shall execute all documents and take all action as may be required to accomplish the acquisition, construction, improvement, equipping and furnishing of the 2013 Projects. The County shall provide lawfully available funds to complete the construction of the portions of the 2013 Projects not financed with the proceeds of the Bonds. The County shall take possession of the Leased Premises hereunder and such Lease Payments shall finance the 2013 Projects.

Section 3.03 Payment of Costs of Issuance. Payment of all Costs of Issuance shall be made from the moneys deposited with the Trustee in the Costs of Issuance Fund, which moneys shall be disbursed for such purpose in accordance with Section 3.03 of the Indenture. Any Costs of Issuance for the payment of which insufficient funds shall be available on deposit in the Costs of Issuance Fund, shall be paid by the County.

**ARTICLE IV
LEASE; TERM OF THIS LEASE AGREEMENT; RENTAL PAYMENTS**

Section 4.01 Lease by Corporation and Lease to County.

(a) For consideration described therein, the County has leased to the Corporation, pursuant to the Ground Lease, the Sites and any facilities therein for the Term stated therein, plus one week following the end of the Term of the Ground Lease.

(b) The Corporation hereby leases the Leased Premises to the County, and the County hereby leases the Leased Premises from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(c) The County hereby takes possession of the Leased Premises on the Closing Date.

(d) Following the Closing Date the Corporation and the County shall commence acquisition, construction and improvement of the 2013 Projects pursuant to the terms of the Agency Agreement.

Section 4.02 Term of Lease Agreement. The Term of this Lease Agreement shall commence on _____, 2013 and shall end on November 1, ____, unless such term is extended as hereinafter provided or unless Lease Payments have been paid or prepaid in full or provision shall have been made for such payment pursuant to Section 4.03(g) hereof. If on November 1, ____, the Indenture shall not be discharged by its terms or if the Lease Payments payable hereunder shall have been abated at any time and for any reason, then the Term of this Lease Agreement shall be extended until the earlier of November 1, ____, or the date the Indenture shall be discharged by its terms. If prior to November 1, ____, the Indenture shall be discharged by its terms and any amounts then owed to the Trustee have been paid in full, the Term of this Lease Agreement shall thereupon end.

Section 4.03 Lease Payments; Security Deposit.

(a) Obligation to Pay. In consideration of the lease by the Corporation of the Site and in consideration of the issuance of the Bonds by the Corporation for the purpose of constructing and acquiring the Facilities, and subject to the provisions of Sections 6.01 and 6.03, the County agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Leased Premises during each Fiscal Year, the Lease Payments (denominated into components of principal and interest) for the Leased Premises in the respective amounts specified in Exhibit B hereto, to be due and payable on the fifteenth day prior to each respective Interest Payment Date specified in Exhibit B hereto. Any amount held in the Bond Fund (but not including any amounts on deposit in the Reserve Fund), the Interest Account, the Sinking Account or the Principal Account (other than amounts resulting from the prepayment of the

Lease Payments in part but not in whole pursuant to Section 4.05) on any Lease Payment Date shall be credited towards the Lease Payment then due and payable as permitted under the Indenture. The Lease Payments coming due and payable in any Fiscal Year shall be for the use of the Leased Premises for such Fiscal Year.

(b) Effect of Prepayment. In the event that the County prepays all Lease Payments in full pursuant to Section 4.05, the County's obligations under this Lease Agreement shall thereupon cease and terminate, including but not limited to the County's obligation to pay Lease Payments under this Section 4.03. In the event that the County prepays the Lease Payments in part but not in whole pursuant to Section 4.05, the Corporation shall provide, or cause to be provided, to the Trustee and the County a revised schedule of Lease Payments due after such partial prepayment, which revised schedule of Lease Payments shall be sufficient to provide for the scheduled payment of remaining principal of and interest on the Bonds, and which schedule shall represent an adjustment to the schedule of Lease Payments set forth in Exhibit B hereto after taking into account said partial prepayment.

(c) Rate on Overdue Payments. In the event the County should fail to make any of the payments required in this Section 4.03, the payment in default shall continue as an obligation of the County until the amount in default shall have been fully paid, and the County agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate per annum equal to the average interest rate on the Bonds. Such interest, if received, shall be deposited in the Bond Fund.

(d) Fair Rental Value. The Lease Payments and Additional Rent coming due and payable hereunder in each Fiscal Year shall constitute the total rent for the Leased Premises for each Fiscal Year and shall be paid by the County in each Fiscal Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Leased Premises during each Fiscal Year. The parties hereto have agreed and determined that the total amount of such Lease Payments and Additional Rent for the Leased Premises do not exceed the fair rental value of the Leased Premises. In making such determination, consideration has been given to the obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Leased Premises and the benefits therefrom which will accrue to the County and the general public.

(e) Source of Payments; Budget and Appropriation. The Lease Payments shall be payable from any source of available funds of the County, subject to the provisions of Sections 6.01 and 6.03. The County covenants to take such action as may be necessary to include all Lease Payments and Additional Rent due hereunder in each of its budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Additional Rent. The covenants on the part of the County herein contained shall be deemed 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 this Lease Agreement agreed to be carried out and performed by the County.

The County and the Corporation understand and intend that the obligation of the County to pay Lease Payments and other payments hereunder constitutes a current expense of the

County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the County, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the County. Lease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments or other payments due hereunder as consideration for use of the Leased Premises during the Fiscal Year for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. This Lease Agreement shall not create an immediate indebtedness for any aggregate payments which may become due hereunder. The County has not pledged the full faith and credit of the County, the State or any agency or department thereof to the payment of the Lease Payments or any other payments due hereunder, the Bonds or the interest thereon.

(f) Assignment. The County understands and agrees that all Lease Payments have been assigned by the Corporation to the Trustee in trust, pursuant to the Indenture, for the benefit of the Owners of the Bonds, and the County hereby assents to such assignment. The Corporation hereby directs the County, and the County hereby agrees, to pay all of the Lease Payments to the Trustee at its Office.

(g) Security Deposit. Notwithstanding any other provision of this Lease Agreement, the County may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts, is either (i) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the related Lease Payment schedule set forth in Exhibit B, or (ii) invested in whole or in part in non-callable Federal Securities in such amount as will, in the opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due hereunder or on any optional prepayment date pursuant to Section 4.05, as the County shall instruct at the time of said deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement. In connection with the making of any such security deposit, the Corporation shall take, and shall cause the Trustee to take, any actions necessary to remove the appropriate portions of the Leased Premises from the lien of this Lease Agreement.

(h) Delinquent Lease Payments. Any delinquent Lease Payment shall be made to the Trustee for application as set forth in the Indenture.

Section 4.04 [Intentionally Reserved].

Section 4.05 Optional Right to Purchase. The County will have the exclusive right and option, which will be irrevocable during the Term of this Lease, to purchase all or any designated portion of the Corporation's interest in the Facilities on any Business Day, upon payment of the Option Price (as hereinafter defined) and all other amounts of Additional Rent then due and payable by the County to the Corporation and Trustee under this Lease Agreement and under the Indenture but only if the County is not in default under this Lease or the Indenture.

The option price in any Lease Year shall be determined by reference to Exhibit C to the Lease (the "Option Price"). The County will exercise its option to purchase by giving notice thereof to the Corporation and the Trustee not later than 35 days prior to the Business Day on which it desires to purchase the Facilities, unless the Business Day on which the County intends to exercise its option is, in accordance with the terms of the Indenture, a date on which Bonds are subject to optional redemption, in which case the County will give notice to the Corporation and the Trustee of its intention to exercise its option no later than 35 days prior to the Business Day on which it desires to purchase the Facilities.

If the Business Date on which the County intends to exercise its option is, in accordance with the terms of the Indenture, a date on which Bonds are subject to optional redemption, then the County will deposit with the Trustee on such purchase date an amount equal to the Option Price which amount will be in addition to the Lease Payments due on such date.

If the Business Day on which the County intends to exercise its option is not a date on which Bonds are subject to optional redemption pursuant to the terms of the Indenture, then the Option Price will be payable in installments. Each such installment, all as determined by reference to Exhibit B to the Lease Agreement, (i) will be payable at each time at which a payment of Lease Payments would have been payable and such option not been exercised until the due date of the final installment and (ii) will equal the principal amount of each Lease Payments referred to in clause (i) above; provided however, that the final installment will be payable on the first date on which Bonds are subject to optional redemption pursuant to the terms of the Indenture and will be in an amount equal to the Option Price on such date. Each such Lease installment will bear interest until paid at the rate equal to the rate which would have been payable with respect to the payments of Lease Payments referred to in clause (i) above.

In order to secure its obligations to pay the installments referred to in the immediately preceding paragraph, the County concurrently with the exercise of its option, will deposit or cause to be deposited with the Trustee, in trust, cash or investments of the type described in the Indenture in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay the installments (including all principal and interest) referred to in the immediately preceding paragraph at the times at which such installments are required to be paid. Such deposit will be in addition to the Lease Payment, if any, due on such date. The excess, if any, of the amount so deposited over the installments actually required to be paid by the County will be remitted to the County.

Section 4.06 Quiet Enjoyment. During the Term of this Lease Agreement, the Corporation shall provide the County with quiet use and enjoyment of the Leased Premises, and the County shall, during such Term, peaceably and quietly have and hold and enjoy the Leased Premises without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation will, at the request of the County and at the County's cost, join in any legal action in which the County asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation shall have the right to inspect the Leased Premises as provided in Section 7.02.

Section 4.07 Title. During the Term of this Lease Agreement, the Corporation shall hold a leasehold in the Leased Premises, and in any and all additions which comprise fixtures,

repairs, replacements or modifications to the Leased Premises, except for those fixtures, repairs, replacements or modifications which are added to the Leased Premises by the County at its own expense and which may be removed without damaging the Leased Premises and except for any items added to the Leased Premises by the County pursuant to this Lease Agreement.

Section 4.08 Additional Rent. In addition to the Lease Payments, the County shall pay when due the following items of Additional Rent:

(a) all fees and expenses incurred by the Corporation in connection with or by reason of its leasehold estate in the Leased Premises as and when the same become due and payable;

(b) all reasonable compensation and indemnification to the Trustee pursuant to Section 8.06 of the Indenture for all services rendered under the Indenture and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Indenture;

(c) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Corporation or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease Agreement or the Indenture; and

(d) the reasonable out-of-pocket expenses of the Corporation in connection with the execution and delivery of this Lease Agreement or the Indenture, or in connection with the issuance of the Bonds, including but not limited to amounts payable pursuant to Section 5.11, any and all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, or incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Bonds, the Indenture or any of the other documents contemplated hereby or thereby, or otherwise incurred in connection with the administration of this Lease Agreement.

Section 4.09 Substitution or Release of Leased Premises. The County shall have, and is hereby granted, the option at any time and from time to time during the Term of this Lease Agreement, to substitute other land, facilities or improvements (the "Substitute Leased Premises") for the Leased Premises or any portion thereof (the "Former Leased Premises") or to release a portion of the Leased Premises (the "Released Premises") from the lien of this Lease Agreement, provided that the County shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution or release:

(a) The County shall provide written notification of such substitution or release to the Trustee and Rating Agencies, which notice shall contain the certification that all conditions set forth in this Section 4.09 are met with respect to such substitution or release.

(b) The County shall take all actions and shall execute all documents required to subject the Substitute Leased Premises to the terms and provisions of this Lease Agreement, including the filing with the Corporation and the Trustee an amended Exhibit A which adds thereto a description of the Substitute Leased Premises and deletes therefrom the description of the Former Leased Premises or the Released Premises, as applicable.

(c) (i) In the case of a substitution, the County shall determine and certify in writing to the Corporation and the Trustee that the fair rental value of the Substitute Leased Premises is at least equal to the fair rental value of the Former Leased Premises and that the Substitute Leased Premises is essential to the governmental functions of the County.

(ii) In the case of a release, the County shall determine and certify to the Corporation and the Trustee that the fair rental value of the remaining Leased Premises after removal of the Released Premises is at least equal to the then remaining Lease Payments.

(d) In the case of a substitution, the County shall certify in writing to the Corporation and the Trustee that the Substitute Leased Premises serve the public purposes of the County and constitute property which the County is permitted to lease under the laws of the State.

(e) In the case of a substitution, the County shall certify in writing to the Corporation and the Trustee that the estimated useful life of the Substitute Leased Premises at least extends to the date on which the final Lease Payment becomes due and payable hereunder.

(f) In the case of a substitution, the County shall obtain a CLTA policy of title insurance meeting the requirements of Section 5.06 with respect to any real property portion of the Substitute Leased Premises.

(g) In the case of a substitution, the substitution of the Substitute Leased Premises shall not cause the County to violate any of its covenants, representations and warranties made herein.

(h) The County shall obtain and cause to be filed with the Trustee and the Corporation an opinion of Bond Counsel stating that such substitution or release is permitted hereunder and does not cause interest on the Bonds to become includable in the gross income of the Bond Owners for federal income tax purposes.

(i) Notwithstanding the foregoing, the County may substitute the Offices of the Public Defender for the Interim Site and Facilities without undertaking any actions above in this Section 4.09, including obtaining consent of the Trustee or [Bond Insurer], excepting only the delivery of a policy of title insurance described in (f) and an opinion of bond counsel described in (h) of this Section 4.09.

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