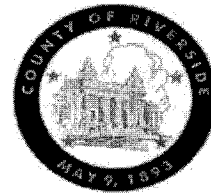


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



2704

SUBMITTAL DATE:
October 18, 2016

FROM : EXECUTIVE OFFICE::

SUBJECT: Letter of Credit Substitution supporting the County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center refunding), All District, [\$75,000 - Lease Agreements] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approves Resolution No, 2016-223 authorizing and approving the replacement of letter of credit supporting the County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding); authorizing entry into a Reimbursement Agreement; and authorizing the preparation and distribution of a remarketing memorandum and other matters related thereto.

Policy

BACKGROUND:

Summary

In December 2008, the County of Riverside Asset Leasing Corporation (CORAL) issued its variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) in the par amount of \$78,895,000 (the "Bonds") and entered into a reimbursement agreement with Union bank for the provision of a letter of credit with respect to the Bonds (the "2008 LOC").

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$75,000	\$	\$ 75,000	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: Lease agreements			Budget Adjustment:	No
			For Fiscal Year:	2016/17

C.E.O. RECOMMENDATION: [CEO use]

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: Benoit
Date: November 1, 2016
xc: EO

Kecia Harper-Ihem
Clerk of the Board

By: *[Signature]*
Deputy

3-5

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

Page 2

BACKGROUND:

Summary (continued)

In 2013, the 2008 LOC expired and was replaced with a letter of credit (the "2013 LOC") from, and a reimbursement agreement with, Wells Fargo bank, N.A. ("Wells Fargo"). The 2013 LOC expires on December 5, 2016 and must be extended or replaced. The County went through an RFP process soliciting bids from four letter of credit banks. Based on the received proposals, the best course of action is to replace the 2013 with a letter of credit, issued by MUFG Union bank, National Association ("Union Bank") pursuant to a Reimbursement Agreement among the County, CORAL, and Union Bank. In connection with the 2016 LOC substitution, the Bonds will be subject to mandatory tender and remarketing on the letter of credit substitution date.

If approved, staff recommends replacing the 2013 LOC with a letter of credit issued by MUFG Union bank for an initial term of five years. After factoring in the costs of the 2016 LOC substitution and comparing what it would have cost to stay with the current provider, the County will save approximately \$70,000 annually.

Prev. Agn. Ref. 11/5/2013, 3-66

Impact on Residents and Businesses

Decreased debt service costs will make available General Fund for other County services.

Additional Fiscal Information

None

Contract History and Price Reasonableness

MUFG Union Bank provided the lowest bid for a three-year letter of credit and an option for a five-year letter of credit of the three banks that submitted proposals. The County selected the five-year proposal.

ATTACHMENTS (if any, in this order):

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RESOLUTION NO. 2016-223

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING AND APPROVING THE REPLACEMENT OF THE LETTER OF CREDIT SUPPORTING THE COUNTY OF RIVERSIDE ASSET LEASING CORPORATION VARIABLE RATE DEMAND LEASEHOLD REVENUE REFUNDING BONDS, SERIES 2008A (SOUTHWEST JUSTICE CENTER REFUNDING); AUTHORIZING ENTRY INTO A REIMBURSEMENT AGREEMENT; AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A REMARKETING MEMORANDUM AND OTHER MATTERS RELATED THERETO

WHEREAS, in December of 2008 the County of Riverside Asset Leasing Corporation ("CORAL") issued its Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) (the "2008A Bonds");

WHEREAS, in connection with the issuance of the 2008A Bonds, the County of Riverside ("County") entered into a Reimbursement Agreement with Union Bank of California, N.A. ("Union Bank") pursuant to which Union Bank issued its letter of credit to support payments with respect to the 2008A Bonds (the "2008 LOC");

WHEREAS, the 2008 LOC expired by its terms on December 9, 2013 and was replaced by a letter of credit (the "2013 LOC") issued by Wells Fargo Bank, National Association ("Wells Fargo") pursuant to a Reimbursement Agreement among the County, CORAL and Wells Fargo;

WHEREAS, the 2013 LOC expires by its terms on December 5, 2016 and needs to be extended or replaced;

WHEREAS, the County has determined to replace the 2013 LOC with a letter of credit to be issued by MUFG Union Bank, N.A. ("MUFG Union Bank") pursuant to a Reimbursement Agreement among the County, CORAL and MUFG Union Bank;

WHEREAS, in connection with the replacement of the letter of credit, the 2008A Bonds are subject to a mandatory tender and remarketing for which the County will prepare a Remarketing Memorandum to be used by the remarketing agent to remarket the 2008A Bonds;

FORM APPROVED COUNTY COUNSEL
BY *[Signature]* DATE 10/17/16
DALE A. GARDNER

1 WHEREAS, the County desires to participate in the letter of credit replacement and
2 remarketing of the 2008A Bonds, and to approve all proper and necessary documents and transactions
3 in connection therewith; and

4 WHEREAS, the County is authorized to undertake all of the above pursuant to the laws of
5 the State of California.

6 NOW, THEREFORE, the Board of Supervisors of the County of Riverside does hereby
7 resolve, determine and order as follows:

8
9 Section 1. The proposed form of the Reimbursement Agreement, by and among the County,
10 CORAL and MUFG Union Bank in substantially the form on file with the Clerk of the Board, is
11 hereby approved. The County Executive Officer, the County Finance Director, the County Deputy
12 Executive Officer and any other authorized officers of the County acting on behalf of the County
13 Executive Officer (each an "Authorized Representative" and, collectively, the "Authorized
14 Representatives") are, and each of them acting alone is, hereby authorized and directed, for and in the
15 name of and on behalf of the County, to execute and deliver the Reimbursement Agreement in
16 substantially the form on file with the Clerk of the Board, with such changes therein as the Authorized
17 Representative executing and delivering such document may require or approve, such requirement or
18 approval to be conclusively evidenced by the execution and delivery thereof.

19 Section 2. The County hereby approves the replacement of the Wells Fargo letter of credit
20 with the MUFG Union Bank letter of credit and the mandatory tender and remarketing of the 2008A
21 Bonds by the existing remarketing agent, Citigroup Global Markets Inc. (the "Remarketing Agent"),
22 pursuant to the Remarketing Agreement dated as of December 1, 2008 among the County, CORAL
23 and the Remarketing Agent (the "Remarketing Agreement") as such Remarketing Agreement may be
24 amended or supplemented in such manner as the Authorized Representative executing and delivering
25 such amendment or supplement may require or approve, such requirement or approval to be
26 conclusively evidenced by the execution and delivery thereof.

27 Section 3. The proposed form of remarketing memorandum with respect to the 2008A
28 Bonds (the "Remarketing Memorandum"), attached hereto as Exhibit A, is hereby approved. The
Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for
and in the name of and on behalf of the County, to execute and deliver the Remarketing

1 Memorandum in substantially the form attached hereto as Exhibit A, with such changes thereto as
2 such Authorized Representative executing and delivering such document may require or approve,
3 such requirement or approval to be conclusively evidenced by the execution and delivery thereof.
4 The distribution of copies of the Remarketing Memorandum to persons who may be interested in the
5 purchase of 2008A Bonds is hereby authorized and approved. The Authorized Representatives are,
6 and each of them acting alone is, hereby authorized to certify to the Remarketing Agent on behalf of
7 the County that the Remarketing Memorandum is deemed final as of its date, within the meaning of
8 Securities and Exchange Commission Rule 15c2-12.

9 Section 4. The County hereby authorizes any Authorized Representative to enter into on
10 behalf of the County, or to instruct the Trustee (as defined below) to enter into, any amendments or
11 supplements to or terminations of the interest rate swap agreement, the municipal bond insurance
12 policy, the swap insurance policy, or the reserve fund surety in existence with respect to the 2008A
13 Bonds as the Authorized Representative executing and delivering such document may require or
14 approve, such requirement or approval to be conclusively evidenced by the execution and delivery
15 thereof.

16 Section 5. The County hereby authorizes any Authorized Representative to enter into on
17 behalf of the County, and to instruct the Trustee to enter into or consent to, any amendments or
18 supplements to the Indenture of Trust, dated as of December 1, 2008, as amended or supplemented,
19 among CORAL, the County and U.S. Bank National Association, as trustee (the "Trustee"), the Site
20 Lease, dated as of December 1, 2008, between the County and CORAL, the Facilities Lease, dated as
21 of December 1, 2008, between CORAL and the County, and the Assignment Agreement, dated as of
22 December 1, 2008, between CORAL and the Trustee, all relating to 2008A Bonds, as the Authorized
23 Representative executing and delivering such amendments or supplements shall approve and
24 determine are necessary or appropriate in connection with the replacement of the 2013 LOC and the
25 remarketing of the 2008A Bonds, such determination and approval to be conclusively evidenced by
26 the execution and delivery thereof.

27 Section 6. All actions heretofore taken by any officer of the County with respect to the
28 replacement of the letter of credit or the mandatory tender and remarketing of the 2008A Bonds, or in
connection with or related to any of the agreements referred to herein, are hereby approved,
confirmed and ratified.


1 Section 7. The Authorized Representatives are, and each of them acting alone is, authorized
2 and directed to take any and all actions, and to execute any and all documents, including a Fee Letter
3 to MUFG Union Bank, as may be necessary or desirable to effectuate the purposes of this Resolution.

4 Section 8. The County Clerk shall certify to the passage of this Resolution, shall transmit a
5 copy hereof to CORAL, and shall cause the action of the Board of Supervisors in adopting the same
6 to be entered in the official minutes of this Board of Supervisors.

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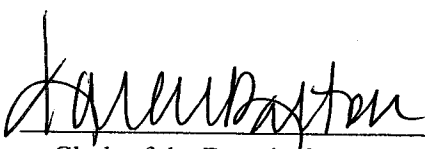
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PASSED and ADOPTED by the Board of Supervisors of the County of Riverside on the
1st day of November, 2016


Chairman of the Board of Supervisors
John J. Benoit

(SEAL)

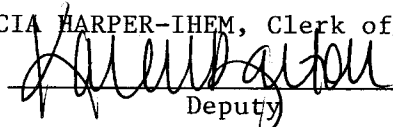
ATTEST: Kecia Harper-Ihem


Clerk of the Board of Supervisors Deputy

ROLL CALL:

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: Benoit

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

KECIA HARPER-IHEM, Clerk of said Board
By 
Deputy

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CERTIFICATE OF CLERK

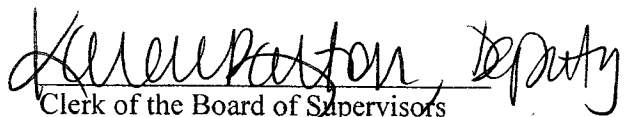
I, Kecia Harper-Ihem, Clerk of the Board of Supervisors of the County of Riverside, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the regular meeting place thereof on November 1, 2016, of which meeting all of the members of said Board had due notice.

AYES: Supervisors Jeffries, Tavaglione, Washington and Ashley
NAYS: Supervisors None
ABSENT: Supervisors Benoit

I do hereby further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I do hereby further certify that an agenda for said meeting was posted at least seventy-two (72) hours before said meeting at 4080 Lemon Street, Riverside, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

WITNESS my hand and the seal of the County of Riverside this 1st day of November , 2016.


Clerk of the Board of Supervisors
Kecia Harper-Ihem

[SEAL]

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EXHIBIT A
FORM OF REMARKETING MEMORANDUM

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of [November 4, 2016]

among

COUNTY OF RIVERSIDE,

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

and

MUFG UNION BANK, N.A.,
as the Bank

Relating to

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

TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	2
Section 1.1.	Definitions.....	2
Section 1.2.	Incorporation of Certain Definitions by Reference.....	13
Section 1.3.	Accounting Terms and Determinations.....	13
Section 1.4.	Interpretation.....	13
ARTICLE II	LETTER OF CREDIT; REIMBURSEMENT; LIQUIDITY ADVANCES; TERM LOANS	13
Section 2.1.	Application for Letter of Credit	13
Section 2.2.	Conditions Precedent to Issuance of the Letter of Credit	14
Section 2.3.	Request to Extend Availability Period.....	16
Section 2.4.	Liquidity Advances; Term Loans	17
Section 2.5.	Prepayments.....	19
Section 2.6.	Reimbursement of Drawings.....	19
Section 2.7.	Evidence of Obligations	19
Section 2.8.	Security	20
Section 2.9.	Limited Recourse Obligations	20
Section 2.10.	Bank Bonds.....	20
ARTICLE III	PAYMENT TERMS.....	23
Section 3.1.	Bank Rights to Payments.....	23
Section 3.2.	Increased Costs and Reduced Return.....	23
Section 3.3.	Overdue Payments; Default Pricing; Excess Interest	24
Section 3.4.	Payments.....	25
ARTICLE IV	NATURE OF OBLIGATIONS; INDEMNITY	26
Section 4.1.	Obligations of the County and the Corporation.....	26
Section 4.2.	Indemnification	27
Section 4.3.	Obligations and Liability of the Bank.....	27
ARTICLE V	REPRESENTATIONS AND WARRANTIES OF COUNTY	29
Section 5.1.	Existence and Power	29
Section 5.2.	Authorization; Contravention; Approvals.....	29
Section 5.3.	Enforceability.....	30
Section 5.4.	Litigation.....	30
Section 5.5.	Financial Information.....	30
Section 5.6.	Disclosure	31
Section 5.7.	Compliance with Laws	31
Section 5.8.	Environmental Matters.....	31
Section 5.9.	Regulations U and X.....	31

Section 5.10.	Tax-Exempt Status.....	32
Section 5.11.	Security	32
Section 5.12.	Rental Payments.....	32
Section 5.13.	Fair Rental Value	32
Section 5.14.	Title	32
Section 5.15.	Constitutional Matters.....	32
Section 5.16.	No Sovereign Immunity.....	33
Section 5.17.	No Usury.....	33
Section 5.18.	Solvency.....	33
Section 5.19.	Incorporation of Representations and Warranties by Reference	33
Section 5.20.	The Issuing and Issuing and Paying Agent and the Remarketing Agent	33

ARTICLE VI REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION 33

Section 6.1.	Existence and Power	33
Section 6.2.	Authorization; Contravention; Approvals.....	33
Section 6.3.	Enforceability	34
Section 6.4.	Litigation.....	34
Section 6.5.	Rental Payments.....	34
Section 6.6.	No Sovereign Immunity.....	35
Section 6.7.	Books and Records; Inspections	35
Section 6.8.	Maintain Existence.....	35
Section 6.9.	Compliance with Laws	35
Section 6.10.	Compliance with Agreements.....	35
Section 6.11.	Encumbrances	35
Section 6.12.	Termination of Agreements	35
Section 6.13.	Remedies under the Facilities Lease.....	35
Section 6.14.	Abandonment.....	36
Section 6.15.	Substitution; Transfer.....	36
Section 6.16.	Mandatory Purchase	36
Section 6.17.	Incorporation of Representations, Warranties and Covenants by Reference	36

ARTICLE VII COVENANTS 36

Section 7.1.	Reports and Other Information.....	37
Section 7.2.	Books and Records; Inspections	38
Section 7.3.	Maintain Existence	39
Section 7.4.	Compliance with Laws.....	39
Section 7.5.	Taxes and Liabilities	39
Section 7.6.	Compliance with Agreements	39
Section 7.7.	Investments	39
Section 7.8.	Maintenance of Leased Premises.....	39
Section 7.9.	Insurance	39
Section 7.10.	Environmental Laws	39
Section 7.11.	Appropriation.....	40
Section 7.12.	Encumbrances	40

Section 7.13.	Rent Abatement	40
Section 7.14.	Termination of Agreements	40
Section 7.15.	Completion of Project; Abandonment.....	40
Section 7.16.	Substitution; Transfer.....	40
Section 7.17.	County Related Documents.....	40
Section 7.18.	Additional Series of Bonds	40
Section 7.19.	Swap Termination Payments.....	41
Section 7.21.	Trustee and Remarketing Agent.....	41
Section 7.22.	Alternate Letter of Credit.....	42
Section 7.23.	Best Efforts	42
Section 7.24.	Return of Letter of Credit	42
Section 7.25.	Optional Redemption	42
Section 7.26.	Remarketing Memorandum	43
Section 7.27.	Use of Proceeds; Regulation U and X.....	43
Section 7.28.	Ranking of Obligations.....	43
Section 7.29.	Maintenance of Tax-Exempt Status of the Bonds	43
Section 7.30.	No Sovereign Immunity	43
Section 7.31.	Incorporation of Covenants by Reference.....	43
Section 7.32.	Further Assurances	44
Section 7.33.	Accounting Changes	44
ARTICLE VIII	DEFAULTS AND REMEDIES	44
Section 8.1.	Events of Default.....	44
Section 8.2.	Rights and Remedies Upon Event of Default.....	47
ARTICLE IX	MISCELLANEOUS	48
Section 9.1.	Notices	48
Section 9.2.	Governing Law; Venue.....	50
Section 9.3.	Waiver of Jury Trial; Judicial Reference	51
Section 9.4.	Successors and Assigns.....	51
Section 9.5.	Severability of Provisions.....	52
Section 9.6	Amendments; Waivers.....	52
Section 9.7	Execution in Counterparts.....	53
Section 9.8	Entire Agreement	53
Section 9.9.	Headings; Table of Contents.....	53
Section 9.10.	Bond Insurer Notices; Third Party Beneficiary	53
Section 9.11.	USA PATRIOT Act.....	53
Section 9.12.	No Advisory or Fiduciary Relationship.....	53
EXHIBIT A	FORM OF LETTER OF CREDIT	

This LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of [November 4, 2016] (this "Agreement"), is by and among the COUNTY OF RIVERSIDE ASSET LEASING CORPORATION, a non-profit, public benefit corporation organized under the laws of the State of California (including its successors and assigns, the "Corporation"), the COUNTY OF RIVERSIDE, CALIFORNIA, a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California (including its successors and assigns, the "County") and MUFG UNION BANK, N.A., a national banking association (including its successors and assigns, the "Bank").

WITNESSETH:

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

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

WHEREAS, Wells Fargo Bank, National Association, has previously issued and delivered to the Trustee its direct-pay letter of credit securing the payment of the principal of, interest on, and purchase price of the Bonds (the "Existing Letter of Credit"); and

WHEREAS, the Corporation and the County have each requested the Bank to issue an irrevocable direct-pay letter of credit to replace the Existing Letter of Credit and to provide credit and liquidity support for the Bonds while the Bonds bear interest at the [Daily Interest Rate or]¹ the Weekly Interest Rate (each as defined in the Indenture); and

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

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

¹ Drafting Note: Bank to discuss availability of facility for Bonds in Daily mode.

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

"Bank Bond CUSIP Number" means the CUSIP number assigned to the Bank Bonds by S&P's CUSIP Bureau.

"Bank Bond Endorsement" means an endorsement to the Bond Insurance Policy issued by the Bond Insurer in form and substance satisfactory to the Bank.

"Bank Bonds" means any and all Bonds purchased by the Trustee [or the Corporation]² with proceeds of a drawing under the Letter of Credit, which Bonds are then, pursuant to the terms of the Indenture, registered in the name of and owned by the Corporation and pledged to the Bank or are registered in the name of and owned by the Bank or its designee. Bank Bonds are sometimes referred to in the Indenture as "Purchased Bonds" and shall, unless expressly excluded, include Pledged Bonds.

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

"Base Rate" means, for any day, a rate of interest per annum equal to the highest of (a) the Prime Rate in effect for day such plus two percent (2%), (b) the Federal Funds Rate for such day plus four percent (4%) and (c) eight percent (8%). Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or the Federal Funds Rate, as the case may be.

"Base Rental" has the meaning set forth in the Indenture.

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

"Bond Insurer" has the meaning set forth in the recitals hereto.

"Bond Insurer Downgrade Event" means the financial strength or claims-paying rating of the Bond Insurer shall be (i) reduced below "A1" (or its equivalent) or suspended or

² Drafting Note: To be discussed.

withdrawn by Moody's and (ii) reduced below "A+" (or its equivalent) or suspended or withdrawn by S&P.

"Bond Insurer Event of Default" means the occurrence of any one or more of the following events:

(a) any principal or interest evidenced by the Bonds is not paid by the Bond Insurer when, as, and in the amounts required to be paid pursuant to the terms of the Bond Insurance Policy, or the Bond Insurer fails to make payment when due under the terms and conditions set forth in the Swap Insurance Policy³; or

(b) (i) any material provision of the Bond Insurance Policy or the Swap Insurance Policy relating to the obligation of the Bond Insurer to make payments of principal and interest or premiums or other amounts thereunder, as applicable, at any time for any reason ceases to be valid and binding on the Bond Insurer in accordance with the terms of the Bond Insurance Policy or the Swap Insurance Policy, as applicable, or the Maryland Insurance Administration or a court or other Governmental Authority of appropriate jurisdiction shall find or rule or shall enter an order, judgment or decree that either of the Bond Insurance Policy or the Swap Insurance Policy is not valid and binding on the Bond Insurer or (ii) the Bond Insurer shall (1) claim in writing that either of the Bond Insurance Policy or the Swap Insurance Policy is not valid and binding on the Bond Insurer, (2) repudiate the Bond Insurer's obligations under either of the Bond Insurance Policy or the Swap Insurance Policy or (3) initiate legal proceedings seeking an adjudication that either of the Bond Insurance Policy or the Swap Insurance Policy, or any material provision thereof regarding the payment of principal or interest on the Bonds, or any other amounts that may be payable thereunder, is not valid and binding on the Bond Insurer; or

(c) a proceeding is instituted in a court having appropriate jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the Bond Insurer or for any substantial part of its property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding shall not have been dismissed within sixty (60) days or such court enters an order granting the relief sought in such proceeding; or the Maryland Insurance Administration shall declare a moratorium on the payment of the Bond Insurer's debts; or the Bond Insurer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Bond Insurer or for any substantial part of its property, shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts (provided that for purposes of this definition, *"debts"* shall not include any obligation of the Bond

³ Drafting Note: Swap Insurance Policy to be discussed.

Insurer under any insurance policy or surety bond) as they become due, or an order for rehabilitation, liquidation or dissolution of the Bond Insurer shall be issued; or

(d) the Bond Insurer shall fail to make any payment related to principal and interest when due under any insurance policy (other than the Bond Insurance Policy) or surety bond issued by it insuring or supporting the payment of municipal obligations rated by any Rating Agency, and such failure shall continue for a period of thirty (30) days (it being understood by the Bank that default for purposes of this clause (d) shall not mean a situation whereby the Bond Insurer contests in good faith its liability under any such policy or policies in light of the claims made thereunder).

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

“*Business Day*” means any day of the year other than (a) a Saturday, (b) a Sunday, (c) any day which shall be in Los Angeles, California or New York, New York a legal holiday or a day on which banking institutions are authorized or required to close, and (d) any day which the Trustee advises the Bank in writing is a legal holiday or a day on which banking institutions are authorized or required to close in the city in which the corporate trust office of the Trustee is located. The corporate trust of the Trustee is presently located in Los Angeles, California.

“*Cancellation Agreement*” means the Insurance Policy Cancellation Agreement dated as of [November __, 2016], by and among the Corporation, the County, the Trustee, the Bond Insurer and the Bank.

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

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

“*Corporation Mandatory Purchase*” has the meaning set forth in Section 6.16 hereof.

“*Corporation Related Document*” means any Related Document to which the Corporation is a party and “*Corporation Related Documents*” means all Related Documents to which the Corporation is a party.

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

“*County Related Document*” means any Related Document to which the County is a party and “*County Related Documents*” means all Related Documents to which the County is a party.

“*Cumulative Excess Base Rental Amount*” has the meaning set forth in the Facilities Lease.

“*Custodian*” has the meaning set forth in Section 2.10(c) hereof.

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

[“*Daily Interest Rate*” has the meaning set forth in the Indenture.]

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

“*Debt*” means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (iii) all obligations secured by any Lien upon property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all obligations of such Person as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet of such Person, (v) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (vi) certificates of participation evidencing an undivided ownership interest in payments made by such Person (A) as lessee under any lease of property which in accordance with generally accepted accounting principles would be required to be capitalized on the balance sheet of such Person, (B) as purchaser under an installment sale agreement or (C) otherwise as an obligor in connection therewith, and (vii) all Debt of any other Person of the kind referred to in clauses (i) through (vi) above which is guaranteed (regardless of form) directly or indirectly in any manner by such Person; *provided, however*, that with respect to the County, Debt shall exclude conduit, enterprise and other Debt that have no claim on the general fund of the County.

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

“*Default Rate*” means, as of any date of determination, a rate per annum equal to the Base Rate in effect on such date plus two percent (2%).

“*Deferred Obligations*” has the meaning set forth in Section 2.4(d) hereof.

“*Differential Interest Amount*” means, with respect to any Bank Bond, the excess of (i) interest which has accrued and could actually be paid on such Bank Bond at the Liquidity

Rate or Term Loan Rate, up to but excluding the Business Day on which such Bank Bond is remarketed and ceases to be a Bank Bond, less (ii) the interest accrued on such Bank Bond and received by the holder thereof as part of the remarketing proceeds.

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

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

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

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

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

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

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

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

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

"Excluded Taxes" means, with respect to the Bank, (a) taxes imposed on or measured by its overall net income or capital, and franchise taxes imposed on it (in lieu of net income taxes), by any jurisdiction (or any political subdivision or taxing authority thereof) under the laws of which the Bank is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Bank is located or conducts business.

"Facilities Lease" means the Facilities Lease, dated as of December 1, 2008, by and between the County and the Corporation, as from time to time amended or supplemented, in accordance with the terms hereof and thereof.

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

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

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

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal

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

"Fee Letter" means the letter, dated [November 4, 2016], from the Bank to the Corporation and the County regarding certain fees, costs and expenses, as the same may be amended from time to time thereafter.

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

"Fitch" means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"GAAP" or *"generally accepted accounting principles"* means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the County.

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

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

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

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indenture" has the meaning set forth in the recitals hereto.

"Leased Premises" has the meaning set forth in the Facilities Lease.

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

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

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

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

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

“*Liquidity Rate*” means, with respect to any Liquidity Advance or any Bank Bond evidencing such Liquidity Advance, a fluctuating rate of interest equal to the Base Rate *plus* one percent (1%); *provided, however*, that (x) immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “Liquidity Rate” shall mean a fluctuating rate of interest equal to the Default Rate or (y) if the rate of interest borne by Bonds other than Bank Bonds exceeds the interest rate borne by Bank Bonds, the “Liquidity Rate” shall equal the rate of interest borne by such non-Bank Bonds.

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

“*Maximum Bank Rate*” means the per annum rate of interest equal to twelve percent (12%), notwithstanding anything to the contrary contained in the Indenture.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

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

“*Obligations*” mean the Corporation’s, or the County’s on behalf of the Corporation, obligation to reimburse all Drawings, to repay all Liquidity Advances and Term Loans, to pay debt service on the Bank Bonds, to pay the principal, interest, fees, expenses, costs and other amounts owed to the Bank or the Parent pursuant to the terms of this Agreement, any Related Document or any other document, instrument or agreement entered into by the County with or in favor of the Bank in connection herewith or therewith, together with all covenants and duties owing by the Corporation, or the County on behalf of the Corporation, to the Bank of any kind or description, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

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

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Related Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Related Document.

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

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

“Parent” means any Person controlling the Bank.

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

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

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

“Pledge and Custodian Agreement” means the Pledge and Custodian Agreement of even date herewith among the Corporation, the Bank and the Trustee.

“Pledged Bonds” means Bonds purchased by the Corporation pursuant to Section 403 of the Indenture at the direction of the Bank pursuant to Section 6.16 and/or 8.2(b) of this Agreement.

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

“Prior Agreement” means the Reimbursement Agreement, dated as of December 5, 2013, between the County and the Prior Bank.

“Prior Bank” means Wells Fargo Bank, National Association.

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

“*Rating Agency*” means any of Moody’s, S&P or Fitch and “*Rating Agencies*” means each of Moody’s, S&P and Fitch.

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

“*Related Documents*” means this Agreement, the Indenture, the Bonds, the Bond Insurance Policy, the Cancellation Agreement, **[the First Amendment to Reimbursement Agreement (Reserve Fund Financial Guaranty Insurance Policy), dated as of December 1, 2013, between the Bond Insurer and the County,]** the Assignment Agreement, the Site Lease, the Facilities Lease, the Pledge and Custodian Agreement, the Fee Letter and the Remarketing Agreement.

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

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

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

“*Rental Payments*” means Base Rental and Additional Rental.

“*S&P*” means Standard & Poor’s Credit Market Services, a division of The McGraw-Hill Companies, its successors and assigns.

“*Site Lease*” means the Site Lease, dated as of December 1, 2008, by and between the County and the Corporation, and as from time to time amended or supplemented thereto, in accordance with the terms hereof and thereof.

“*State*” means the State of California.

“*Stated Amount*” has the means set forth in the Letter of Credit.

“*Stated Expiration Date*” means, initially, **[December 4, 2021]** and, if the Letter of Credit is extended in accordance with its terms, the most recent scheduled expiration date to which the Letter of Credit has been extended.

[“*Swap Agreement*” means that ISDA Master Agreement, Schedule (including the Credit Support Annex thereto) and Confirmation, each dated as of January 12, 2015, between [the Bank,] as Party A, and the Corporation, as Party B, as from time to time amended or supplemented.]

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

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

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

“*Term Loan Amortization End Date*” means, notwithstanding [Section 401(m)] of the Indenture, with respect to any Term Loan, the first to occur of (a) the fourth (4th) anniversary of the date on which the related Liquidity Advance was made Term Loan Commencement Date; (b) the fourth (4th) anniversary of the Termination Date; (c) the date on which any Bank Bond representing such Term Loan matures, is prepaid or cancelled pursuant to the Indenture; (d) the date on which any Bank Bond representing such Term Loan is remarketed pursuant to the Indenture and the Remarketing Agreement; (e) the date on which the Letter of Credit is replaced by an Alternate Letter of Credit pursuant to the terms of the Indenture; (f) the date on which the Bonds are converted to an interest rate other than the [Weekly Interest Rate]; and (g) the date the Bank gives notice pursuant to Section 8.2(c)(ii) hereof.

“*Term Loan Amortization Payment Date*” means, with respect to any Term Loan, the related Term Loan Amortization Start Date and each date that is six (6) months after any Term Loan Amortization Payment Date, and the Term Loan Amortization End Date, with the final payment of principal being due and payable on the related Term Loan Amortization End Date.

“*Term Loan Amortization Start Date*” means the related Term Loan Commencement Date.

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

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

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

“*Trigger Date*” has the meaning set forth in Section 6.16 hereof.

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

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

“*2015 CAFR*” means the comprehensive annual financial report of the County dated as of June 30, 2015.

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

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

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

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

Section 1.4. Interpretation. The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (a) the singular includes the plural, and the plural the singular; (b) words importing any gender include the other gender and the neuter gender; (c) references to statutes are to be construed as including all statutory provisions consolidating, and all regulations promulgated pursuant to, such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns.

ARTICLE II

LETTER OF CREDIT; REIMBURSEMENT; LIQUIDITY ADVANCES; TERM LOANS

Section 2.1. Application for Letter of Credit. Each of the Corporation and the County hereby applies to the Bank for, and authorizes and instructs the Bank to issue for the County's account, the Letter of Credit and to make Liquidity Advances and Term Loans. The Bank agrees that it will pay all Drawings under the Letter of Credit from its own funds and not the funds of any other Person.

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

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

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

(c) the Bank shall have received counterparts of the Cancellation Agreement executed and delivered by the Corporation, the County, the Bond Insurer and the Bank;

(d) the Bank shall have received from the Bond Insurer a copy of the Bond Insurance Policy **[with the original Bank Bond Endorsement]**;

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

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

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

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

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

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

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

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

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

(n) *reserved*;

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

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

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

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

(iv) except as set forth in the Remarketing Memorandum, there has been no material adverse change in the financial position, results of operation or prospects of the County since June 30, 2015;

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

obligations hereunder and under the Related Documents to which each such entity is a party;

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

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

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

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

(u) receipt by the Bank of a CUSIP number for and rating of at least investment grade on the Bank Bonds;

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

(w) receipt by the Bank of the audited financial statements of the County for the Fiscal Years ending June 30, 2013, 2014 and 2015, the budget of each of the County and the Corporation for the current Fiscal Year, any financial projections for the current Fiscal Year and such other financial information that the Bank may request from either of the County or the Corporation.

Section 2.3. Request to Extend Availability Period. Not less than one hundred twenty (120) days nor more than one hundred eighty (180) days prior to the then current Stated Expiration Date, the County may, by written notice to the Bank (with a copy to the Bond Insurer), request that the Stated Expiration Date be extended. Following its receipt of such a request, the Bank, in its sole and absolute discretion (and after such due diligence (if any) as the Bank shall undertake), shall notify the County and the Trustee of its decision with respect to such request within 60 days of such receipt, together with any conditions thereto (including, without limitation, change in pricing), it being understood and agreed that the failure of the Bank to notify the County of any decision within such 60-day period shall be deemed to be a rejection of such request and the Bank shall not incur any liability or responsibility whatsoever to any Person by reason of its failure so to notify the County or as a result of its rejection of such request. If the Bank, in its sole discretion, elects to extend the Stated Expiration Date

then in effect, the Bank shall deliver to the Trustee an amendment to the Letter of Credit designating the date to which the Stated Expiration Date is being extended. Such extension of the Stated Expiration Date shall be effective upon the Trustee's receipt of such amendment to the Letter of Credit, and thereafter all references in this Agreement to the Stated Expiration Date shall be deemed to be references to the date designated as such in the most recent amendment to the Letter of Credit delivered to the Trustee. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.3 may be extended in like manner.

Section 2.4. Liquidity Advances; Term Loans. (a) Unless the commitment of the Bank to make Liquidity Advances hereunder shall have terminated in accordance with Section 8.2(c)(i), if the Bank shall honor payment of a Liquidity Drawing and such payment is not reimbursed by 3:00 p.m. (Los Angeles time) on the day such payment is made and the conditions of Section 2.4(b) are satisfied on such day, such payment shall constitute, and the Bank shall be deemed to have extended, a Liquidity Advance to the County on such day and in the amount of such Liquidity Drawing (each such Liquidity Advance, a "*Liquidity Advance*" and, collectively, the "*Liquidity Advances*"), which Liquidity Advance shall be payable solely from Base Rental and Trust Amounts. Subject to the abatement provisions set forth in the Facilities Lease and the fair rental value limitations set forth in Section 2.4(c) and the Facilities Lease, unless an unreimbursed Liquidity Advance becomes a Term Loan in accordance with Section 2.4(b), the County promises to pay to the Bank the unpaid principal of each Liquidity Advance no later than the Liquidity Advance Maturity Date therefor. The County also promises to pay to the Bank interest on each Liquidity Advance from the date of incurrence thereof to and including the date such Liquidity Advance is paid in full, at a rate per annum equal to the Liquidity Rate from time to time in effect, payable on the first Business Day of each month, on each date on which such Liquidity Advance is prepaid, on each date on which the Bank Bonds purchased with the proceeds of the Liquidity Drawing evidenced by such Liquidity Advance are remarketed and, unless such unreimbursed Liquidity Advance becomes a Term Loan in accordance with Section 2.4(b), on the Liquidity Advance Maturity Date therefor.

(b) Notwithstanding Section **[401(m)]** of the Indenture and subject to Section 3 hereof, in the event that (i) at 3:00 P.M. (Los Angeles time) on the Liquidity Advance Maturity Date for a Liquidity Advance, (ii) at the time a Liquidity Drawing is honored by the Bank in the case of a Liquidity Drawing that results in the termination of the Letter of Credit or **[(iii) at the time a Liquidity Drawing is honored by the Bank in connection with a Corporation Mandatory Purchase,]** (A) the representations and warranties of the County contained in contained in Article V hereof are correct, (B) no Event of Default has occurred and is continuing, (C) the commitment of the Bank to make Term Loans hereunder shall not have terminated in accordance with Section 8.2(c)(i) and (D) such Liquidity Advance or Liquidity Drawing remains unpaid, the unpaid principal amount of such Liquidity Advance or the amount of the Liquidity Drawing shall be converted into, and the Bank shall be deemed to have extended to the County, a term loan at such time (each such term loan being referred to herein as a "*Term Loan*") and the Liquidity Advance shall be deemed paid. Subject to the abatement provisions set forth in the Facilities Lease and the fair rental value limitations set forth in Section 2.4(c) and the Facilities Lease, so long as no acceleration of Term Loans has occurred pursuant to Section 8.2(c)(ii), the principal of each Term Loan shall be repaid, in approximately equal semi-annual installments, commencing on the Term Loan Amortization Start Date and shall be repaid on each subsequent

Term Loan Amortization Payment Date thereafter, with the last such payment of all amounts owing with regard to such Term Loan being due and payable on the Term Loan Amortization End Date. The County also promises to pay to the Bank interest on the principal of each unreimbursed Term Loan from the Term Loan Commencement Date therefor until the date such Term Loan is paid in full, at a rate per annum equal to the Term Loan Rate from time to time in effect, payable on the first Business Day of each month and on each Term Loan Amortization End Date therefor.

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

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

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

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

Section 2.5. Prepayments. (a) The Corporation, the County, the Trustee or the Bond Insurer on any Business Day, upon at least two Business Days' notice to the Bank, may prepay the outstanding amount of any Liquidity Advance or Term Loan, in whole or in part in amounts aggregating \$25,000 and multiples of \$5,000 in excess thereof, with accrued interest to the date of such prepayment on the amount prepaid. In the event the County partially prepays a Term Loan, such prepayment shall be applied to remaining semiannual principal payments in reverse chronological order.

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

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

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

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

Section 2.9. Limited Recourse Obligations. The Obligations shall not be payable from any income, receipts or revenues of the Corporation and the County other than Base Rental and Trust Amounts, nor shall the Obligations constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the property or upon any of the income, receipts, or revenues of the Corporation and the County, except Base Rental and Trust Amounts. In the event Base Rental and Trust Amounts are insufficient to pay all Obligations in full, the County will, subject to compliance with applicable debt limitations, consider seeking and utilizing, but shall not be obligated to seek or utilize, additional sources of funds and properties legally available to it in order to reimburse the Bank in full for all unpaid Obligations.

Section 2.10. Bank Bonds. (a) Bonds purchased by the Bank or the Corporation (pursuant to Section 6.16 of this Agreement and [Section 403] of the Indenture), or by the Trustee on behalf of the Bank or the Corporation (pursuant to Section 6.16 of this Agreement or [Section 403] of the Indenture) with the proceeds of a Liquidity Drawing shall constitute Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Liquidity Rate or the Term Loan Rate, as applicable, and have other characteristics of Bonds set forth in the Indenture. Upon purchasing Bank Bonds, the Bank shall be entitled to and shall be deemed assigned all rights and privileges accorded Owners, except to the extent such rights and privileges conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Bank Bonds, the Bank shall be recognized by the Corporation, the County and the Trustee as the true and lawful owner of such Bank Bonds, free from any claims, liens, security interests, equitable interests and other interests of the County, except as such interests might exist under the terms of the Bank Bonds with respect to all Owners. Upon Bonds becoming Pledged Bonds, the Bank shall be recognized by the Corporation, the County and the Trustee as the lawful pledgee of such Pledged Bonds and the Corporation, the County and the Trustee acknowledge and agree that all payments in respect of

such Pledged Bonds shall be made directly to the Bank and all power to control the disposition of such Pledged Bonds shall be vested in the Bank.

(b) So long as the Bonds are issued in book-entry form and held by the Trustee as custodian of DTC as part of DTC's fast automated transfer program ("*FAST Eligible Bonds*"), concurrent with the Trustee's receipt of the purchase price (or portion thereof) for each purchase of Bonds by the Bank hereunder, the Trustee shall, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, make a direct registration electronic book-entry (A) crediting the DTC account designated by the Bank as its account in which to hold Bank Bonds purchased by it (the "*Bank Book-Entry Account*") by the principal amount of the Bonds purchased hereunder by the Bank using the Bank Bond CUSIP Number; and (B) debiting the book-entry account of DTC for the Bonds (the "*DTC Book-Entry Account*"), thereby reducing the principal balance of the global certificate representing the Bonds by the principal amount of the Bonds purchased hereunder by the Bank. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of the Indenture and upon the Trustee's receipt from the Remarketing Agent and/or the County of the proceeds of such remarketing, the Trustee shall, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account by the principal amount of the Bonds so remarketed; and (B) crediting the DTC Book-Entry Account thereby increasing the principal balance of the global certificate representing the Bonds by the principal amount of the Bonds so remarketed. The Trustee acknowledges that it is familiar with the procedures and requirements set forth in the notice from DTC, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("*VRDO*") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008 (as amended, the "*DTC Notice*") which, as of the date hereof, must be followed in the event that any of the Bonds that are tendered for purchase become Bank Bonds. The Trustee agrees that, if any of the Bonds become Bank Bonds and if the DTC Notice is in effect at such time, at the expense of the County, the Trustee will follow the DTC procedures set forth in the DTC Notice, including the withdrawal from DTC of any Bonds that have become Bank Bonds and the simultaneous deposit with DTC of the Bank Bonds, as identified by the Bank Bond CUSIP Number, to be held in the Bank Book-Entry Account. The Bank agrees that it shall not request the Trustee to, and the Trustee shall not be required to, deviate from the DTC procedures set forth in the DTC Notice, to the extent that the DTC Notice is in effect. To the extent that, following any amendment of the DTC Notice, the procedures and requirements therein should become inconsistent with any aspect of the provisions in this subsection (b), the Trustee, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of this subsection (b) so as to eliminate such inconsistency.

(c) If the Bonds are no longer FAST Eligible Bonds, concurrent with the Trustee's receipt of the purchase price for each purchase of Bonds by the Bank hereunder, the Trustee shall register each Bank Bond in the name of the Bank and shall cause the Trustee to hold each Bank Bond as the agent, bailee and custodian (in such capacity, the "*Custodian*") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the direction of the Bank for the

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

ARTICLE III

PAYMENT TERMS

Section 3.1. Bank Rights to Payments. The Corporation, or the County, on behalf of the Corporation, shall pay to the Bank the fees, expenses and payments described in the Fee Letter at the times and in the amounts specified in the Fee Letter. Any references to fees, expenses and payments owed to the Bank hereunder without specific reference to the Fee

Letter shall be read so as to include the Fee Letter, which is hereby incorporated by reference as if set forth in its entirety.

Section 3.2. Increased Costs and Reduced Return. (a) If the Bank determines that any Change in Law affecting the Bank or its Parent regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the capital or liquidity of the Bank or its Parent as a consequence of this Agreement, the Fee Letter or the Letter of Credit to a level below that which the Bank or its Parent would have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Parent with respect to capital adequacy), then from time to time, within forty-five (45) days after written demand by the Bank, the County shall pay to the Bank or its Parent, such additional amount or amounts as will compensate the Bank or its Parent for such reduction in the rate of return on the capital or liquidity of the Bank or its Parent.

(b) If any Change in Law:

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

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

and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining the Letter of Credit or the Bank's commitment to make Liquidity Advances and/or Term Loans or Liquidity Advances and/or Term Loans made by the Bank or to reduce the amount of any sum received or receivable by the Bank under this Agreement, the Fee Letter or the Letter of Credit, within forty-five (45) days after written demand by the Bank, the County agrees to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction.

(c) Failure or delay on the part of the Bank or any Participant to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's or such Participant's right to demand such compensation. Notwithstanding anything contained in this Section, the County shall have no liability to the Bank or any Participant or the Bank's or such Participant's parent or holding company for any increased costs, increased capital or reduction in rate of return to the extent incurred by or imposed on the Bank or any Participant or the Bank's or such Participant's parent or holding company more than one hundred eighty (180) days prior

to the date the above-described written demand is given to the County with respect thereto (the "Cut-Off Date"), except where such increased costs, increased capital or reduction in rate of return apply to the Bank or Participant or the Bank's or such Participant's parent or holding company retroactively to a date prior to the Cut-Off Date. Each demand for compensation pursuant to this Section shall be accompanied by a certificate of the Bank or such Participant in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error, as against all other Persons, including the County and the Corporation. In determining any compensation pursuant to this Section, the Bank or such Participant may use reasonable averaging and attribution methods, reasonable estimates, assumptions, allocations and the like that the Bank or such Participant in good faith determines to be appropriate.

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

Section 3.3. Overdue Payments; Default Pricing; Excess Interest. (a) Overdue principal and overdue interest in respect of each Drawing, each Liquidity Advance, Term Loan and any other overdue amount payable by the County hereunder shall bear interest at a per annum rate equal to the Default Rate. During the continuance of an Event of Default, each Drawing, each Liquidity Advance, Term Loan and any other amount payable by the County hereunder shall bear interest at a rate per annum equal to the Default Rate. Interest shall be calculated on the basis of a year consisting of 365/366 days and actual days elapsed. Interest payable at the Default Rate shall be payable upon demand.

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

(c) If the rate of interest payable hereunder shall exceed the Maximum Bank Rate for any period for which interest is payable, then, subject to Section 2.4(c), (i) interest at the Maximum Bank Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Bank Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Bank Rate, at which time the County shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Bank Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the County shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 3.4. Payments.

(a) *Method and Place of Payment.* Except as otherwise specifically provided herein, all amounts payable under this Agreement shall be made to the Bank not later than 1:00 p.m.

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

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

(c) *Reimbursement by the County.* If and to the extent permitted by applicable law, the County shall reimburse the Bank, within forty five (45) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Bank and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate stating the amount of such payment or liability delivered to the County by the Bank shall be conclusive absent manifest error.

(d) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the County to a Governmental Authority, the County shall deliver to the Bank the original or a certified copy of a receipt issued by such Governmental Authority

evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank, as applicable.

(e) *Survival.* Without prejudice to the survival of any other agreement of the County hereunder, the agreements and obligations of the County contained in this Section shall survive the termination of this Agreement and the Letter of Credit and the payment in full of the Bonds and the obligations of the County thereunder and hereunder.

ARTICLE IV

NATURE OF OBLIGATIONS; INDEMNITY

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

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

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

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

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

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

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

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

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

Section 4.2. Indemnification. To the maximum extent permitted by applicable law, the County agrees to indemnify, save and hold harmless each Bank-Related Person from and against: (i) any and all claims, demands, actions or causes of action that (x) are asserted against any Bank-Related Person by any Person relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Corporation or the County or any of their elected or appointed officials, directors, officers or employees or any plant, property or equipment of the County or the Corporation; and/or (y) may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Bank-Related Person arising out of or relating to this Agreement or any Related Agreement, the use or contemplated use of the proceeds of any Drawing, any Liquidity Advance, any Term Loan or the relationship of the County, the Corporation and the Bank under this Agreement or any Related Document; (ii) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (i) above; and (iii) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Bank-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Bank-Related Person is a party to such claim, demand, action, cause of action or proceeding; *provided* that no Bank-Related Person shall be entitled to indemnification for any claim determined by a final decision of a court of competent jurisdiction to have been caused by such Bank-Related Person's own gross negligence or willful misconduct or for any loss asserted against it by another Bank-Related Person. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

Section 4.3 Obligations and Liability of the Bank. (a) Except as provided in this Agreement, the Bank shall not be obligated to issue any further credits, to cure any defaults under any Related Document or otherwise, or in any other manner to extend any financial consideration or accommodation to the County or the Corporation.

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

(c) Neither the Bank nor any of its officers, directors, employees or agents shall be liable for or responsible for any acts or omissions of the Trustee, any transferee of the Letter of

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

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

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

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

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

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

(vi) Errors in interpretation of technical terms; or

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

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

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

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF COUNTY

The County represents and warrants as follows:

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

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

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

Section 5.4. Litigation. Except as disclosed in the Remarketing Memorandum, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, regulatory body, administrative tribunal or arbitrator pending or, to the best knowledge of the

County, threatened, against or directly involving the County, affecting the existence of the County, the title of any officials to their respective offices, the Leased Premises or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any County Related Document, or in any way contesting or affecting the validity or enforceability of the Bonds, this Agreement, any County Related Document or contesting the tax-exempt status of the Bonds, or contesting in any way the completeness or accuracy of the Remarketing Memorandum or any supplements or amendments thereto, or contesting the powers of the County or any authority for the issuance of the Bonds, the execution and delivery of this Agreement or the County Related Documents, nor, to the best, knowledge of the County, is there any basis therefor, which, if determined adversely to the County (i) would adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under, this Agreement or any County Related Documents, (ii) would, in the reasonable opinion of the County, have a material adverse effect on the business, financial position or results of operations of the County or (iii) would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest from State personal income taxes.

Section 5.5. Financial Information. (a) The audited financial statements of the County included in the 2015 CAFR, true and correct copies of which have heretofore been delivered or made available to the Bank, fairly present, in conformity with generally accepted accounting principles the financial position of the County and its results of operations and changes in financial position at the dates and for the periods indicated.

(b) Except as set forth in the Remarketing Memorandum, since June 30, 2015, there has been no material adverse change in the business, financial position or results of operations of the County.

(c) Except (i) as reflected in the financial statements included in the 2015 CAFR, (ii) as set forth in the Remarketing Memorandum and (iii) for the County's obligations set forth in this Agreement and the County Related Documents, there are as of the date hereof no liabilities or obligations with respect to the County of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which individually or in the aggregate would be material to the County. The County does not know of any basis for the assertion against the County of any liability or obligation of any nature whatsoever that is not fully reflected in the financial statements included in the 2015 CAFR which, in the aggregate, could be material to the County.

Section 5.6. Disclosure. No written information furnished by the County to the Bank in connection with this Agreement (except information which has been superseded by subsequent information provided by the County and except for financial statements of the County) includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in such information and all other written information delivered by the County, when taken together and in light of the circumstances in which they were made, not misleading in any material respect. Except for information contained in the Remarketing Memorandum under the headings "THE CREDIT PROVIDER," "THE CREDIT FACILITY AND THE CREDIT AGREEMENT," and "BOND INSURANCE" and in APPENDIX C – BOOK-ENTRY ONLY

SYSTEM, as to which no representation is made, the Remarketing Memorandum is, and any supplement or amendment to the Remarketing Memorandum shall be, accurate in all materials respects for the purpose for which its use is, was or shall be, authorized; and except for information contained in the Remarketing Memorandum under the previously mentioned captions, as to which no representation is made, the Remarketing Memorandum does not, and any such supplement or amendment will not, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading.

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

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

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

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

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

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

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

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

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

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

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

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

Section 5.19. Incorporation of Representations and Warranties by Reference. The County hereby makes every representation and warranty made by it in any County Related Document, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference

with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any such County Related Document and no termination or replacement of any such County Related Document shall be effective to amend, terminate or replace such representations and warranties or defined terms as incorporated by reference therein without the prior written consent of the Bank.

Section 5.20. The Trustee and the Remarketing Agent. The Trustee is the duly appointed and acting Trustee under the Indenture. The Remarketing Agent is a duly appointed and acting remarketing agent with respect to the Bonds under the Remarketing Agreement.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

The Corporation represents, warrants and covenants as follows:

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

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

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

Section 6.4. Litigation. Except as disclosed in the Remarketing Memorandum, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, regulatory body, administrative tribunal or arbitrator pending or, to the best knowledge of the Corporation, threatened, against or directly involving the Corporation, affecting the existence of the Corporation, the title of any officials to their respective offices, the Leased Premises or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Corporation Related Document, or in any way contesting or affecting the validity or enforceability of the Bonds, this Agreement, any Corporation Related Document or contesting the tax-exempt status of the Bonds, or contesting in any way the completeness or accuracy of the Remarketing Memorandum or any supplements or amendments thereto, or contesting the powers of the Corporation or any authority for the issuance of the Bonds, the execution and delivery of this Agreement or the Corporation Related Documents, nor, to the best, knowledge of the Corporation, is there any basis therefor, which, if determined adversely to the Corporation would adversely affect the validity or enforceability of, or the authority or ability of the Corporation to perform its obligations under, this Agreement or any Corporation Related Documents.

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

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

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

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

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

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

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

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

Section 6.13. Remedies under the Facilities Lease. The Corporation will not seek, and will not permit the Trustee, to exercise any remedies under the Facilities Lease, including termination of the Facilities Lease, without the prior written consent of the Bank but only to the extent that (i) a Bond Insurer Event of Default has occurred and is continuing or (ii) the Bond Insurance Policy is no longer in effect.

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

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

[Section 6.16. Mandatory Purchase. As long as the Bond Insurance Policy remains in effect, if a Bank Bond remains outstanding for one hundred forty (140) consecutive days (the "Trigger Date"), the Corporation shall cause a mandatory purchase of all Outstanding

Bonds pursuant to Section 403 of the Indenture (a “Corporation Mandatory Purchase”) as soon as practicable and in any event not less than forty (40) days following the Trigger Date and shall instruct the Trustee to draw on the Letter of Credit to fund such purchase. The Corporation shall deliver to the Bank a copy of each notice delivered by the Corporation to the Trustee pursuant to Section 403 of the Indenture concurrent with its delivery to the Bank.]⁴

Section 6.17. Incorporation of Representations, Warranties and Covenants by Reference. The Corporation hereby makes every representation, warranty and covenant made by it in any Corporation Related Document, which representations, warranties and covenants, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment to such representations, warranties, covenants or defined terms made pursuant to any such Corporation Related Document and no termination or replacement of any such Corporation Related Document shall be effective to amend, terminate or replace such representations, warranties and covenants or defined terms as incorporated by reference therein without the prior written consent of the Bank.

ARTICLE VII

COVENANTS

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

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

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

(b) As soon as available and in any event within 270 days after the end of each Fiscal Year of the County (commencing with the Fiscal Year ended June 30, 2013), a copy of the comprehensive annual financial report of the County for such year. Each comprehensive annual financial report of the County delivered pursuant to this Section 7.1(b) shall include a statement of net assets of the County as at the end of the applicable Fiscal Year, a balance sheet of governmental funds of the County as at the end of the applicable Fiscal Year, a statement of activities for the applicable Fiscal Year and a statement of revenues, expenditures and changes in fund balances of governmental funds for the applicable Fiscal Year, all in reasonable detail and reported on by a firm

⁴ Drafting Note: To be Discussed.

of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the County and its governmental funds as of the end of the applicable Fiscal Year, the results of operations, and the changes in fund balances of the County for the applicable Fiscal Year then ended in conformity with generally accepted accounting principles;

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

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

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

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

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

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

(i) As soon as available, copies of correspondence sent by the Securities and Exchange Commission or the Internal Revenue Service regarding the Bonds or any other general fund Debt of the County which could reasonably be expected to have an adverse

effect upon the performance of the Obligations of the County under this Agreement or the County Related Documents;

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

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

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

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

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

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

Section 7.5. Taxes and Liabilities . The County shall pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, or upon any part thereof, before the same shall become in default, except those indebtednesses, obligations, taxes, assessments or governmental charges or levies which the County shall in good faith contest by

proper legal proceedings if the County shall in all such cases have set aside on its books adequate reserves with respect thereto.

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

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

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

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

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

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

Section 7.12. Encumbrances. The County will not, and shall not permit the Corporation to, create, or permit the creation of, any encumbrance against or affecting the Base Rental other than as set forth in the Indenture. The County shall defend and keep the Leased Premises free and clear of all Liens other than those permitted by the Facilities Lease.

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

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

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

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

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

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

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

Section 7.20. Restriction on Incorporation of Favorable Provisions in Other Bank Agreements. The County shall use its best efforts not to enter into any Bank Agreement or any amendment, modification or supplement thereto that contains a Most Favored Nations Provision. Notwithstanding the preceding sentence, should the County enter into a Bank Agreement which includes a Most Favored Nations Provision, this Agreement shall automatically be deemed to include a Most Favored Nations Provision as nearly identical as the context reasonably allows to the Most Favored Nations Provision in such Bank Agreement, which deemed inclusion shall occur immediately prior to the execution and delivery of such Bank Agreement. The County shall not enter into any Bank Agreement or any amendment, modification or supplement thereto which contains a "term-out" or "bullet" payment provision or mandatory redemption schedule that requires the payment or redemption of Debt of the County (i) in less than four (4) years, (ii) in installments more frequent than semi-annual installments and/or (iii) in a single payment or in installment payments other than equal installments of principal or level payments of principal and interest over the amortization period ("*Improved Payment Terms*") without first offering to amend this Agreement to provide for Improved Payment Terms and, if the consent of

any Person other than the Bank is required in order to amend this Agreement to include Improved Payment Terms, securing the consent of such Person.

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

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

funds on the date of such termination, which funds will be sufficient to pay in full at the time of termination of the Letter of Credit all Obligations due to the Bank hereunder.

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

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

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

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

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

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

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

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

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

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

Section 7.33. Accounting Changes. The County will not adopt, permit or consent to any change in accounting practices other than as required by GAAP and will not adopt, permit or consent to any change in its Fiscal Year without the prior written consent of the Bank.

ARTICLE VIII

DEFAULTS AND REMEDIES

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

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

(b) The County shall (i) default in the due performance or observance by it of any Incorporated Provision or any term, covenant or agreement contained in Sections 7.1(a), 7.3, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, 7.22, 7.26, 7.27 or 7.28; or (ii) default in the due performance or observance by it of any other term, covenant or agreement hereunder (other than those referred to in Section 8.1(a), 8.1(b)(i) and 8.1(b)(ii)) and such default shall continue unremedied for a period of thirty (30) days after the earlier of (x) written notice to the County by the Bank or (y) an Authorized Officer becomes aware thereof; or

(c) The Corporation shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 6.8, 6.11, 6.12, 6.13, 6.14, 6.15 or 6.16; or (ii) default in the due performance or observance by it of any other term, covenant or agreement hereunder (other than those referred to in Section 8.1(c)(i)) and such default shall continue unremedied for a period of thirty (30) days after written notice to the Corporation by the Bank; or

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

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

obligation payable from the County's general fund shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof other than as a result of the voluntary refunding thereof by the County; or

(f) The County or the Corporation shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of itself or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or in the reasonable judgment of the Bank be unable, to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

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

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

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

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

(k) One or more final, non-appealable judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate and for which insurance proceeds shall not be available shall be rendered against the County and such judgment(s) or order(s) shall not be stayed, bonded, vacated, discharged or satisfied for a period of sixty (60) days; or

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

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

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

(o) (i) The withdrawal or suspension for credit-related reasons by any Rating Agency of a Rating; or (ii) the downgrade by any Rating Agency of a Rating to a level below "BBB" (or its equivalent) in the case of Fitch, "Baa2" (or its equivalent) in the case of Moody's or "BBB" (or its equivalent) in the case of S&P; or

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

(q) A Bond Insurer Downgrade Event or a Bond Insurer Event of Default shall have occurred and be continuing, but solely for purposes of directing the Trustee to cause a mandatory tender of all of the Bonds in accordance with Section 402(d)(ii)(A) of the Indenture in connection with the Bank's request to cancel the Bond Insurance Policy and the Swap Insurance Policy pursuant to the Cancellation Agreement; or

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

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

(a) Deliver a written notice to the Trustee requiring the Trustee to cause a mandatory purchase of all Outstanding Bonds pursuant to Section 402(d)(ii)(A) of the Indenture and in connection therewith instructing the Trustee to submit a final Drawing under the Letter of Credit to pay the purchase price of such Bonds upon their mandatory purchase; or

(b) Deliver a written notice to the Corporation instructing the Corporation to cause a mandatory purchase of all Outstanding Bonds pursuant to Section 403 of the Indenture and in connection therewith instructing the Trustee to submit a Drawing under the Letter of Credit to pay the purchase price of such Bonds upon their mandatory purchase; or

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

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

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

Nothing contained in this Section 8.2 shall result in, or be construed to require, an acceleration of Rental Payments under the Facilities Lease and nothing contained in this Section 8.2 is intended to abrogate abatement of Rental Payments made in accordance with the terms of the Facilities Lease. Nothing contained in Section 8.2 shall abrogate the obligation of the Bank to honor Drawings presented in accordance with the terms of the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms; *provided, further* that so long as the Bond Insurance Policy remains in effect, the Bank shall not accelerate any payment under this Agreement without the written consent of the Bond Insurer.

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

ARTICLE IX MISCELLANEOUS

Section 9.1. Notices. (a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing, mailed by registered or certified mail, with return receipt requested, delivered by a nationally recognized overnight courier, telecopied or hand delivered. All such notices and other communications shall be effective (i) if given by mail, 3 days after the date of deposit in the mails, postage prepaid, addressed as specified in this Section, (ii) if given by facsimile, when sent to the facsimile number set forth below (or such other number as may be provided to each of the other parties listed in this Section in writing) and when confirmed by telephone or (iii) if given by other means, when delivered to the address specified herein:

If to the County, to it at:

County of Riverside
County Administration Center
4080 Lemon Street, 4th Floor
Riverside, CA 92501-36512
Attention: County Executive Officer
Facsimile: (951) 955-1105
Telephone: (951) 955-1127

If to the Corporation, to it at:

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

Telephone: (951) 955-1127

If to the Trustee, to it at:

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

If to the Bond Insurer, to it at:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance
Re: Policy No. D-2008-1047
Facsimile: (212) 339-3556
Telephone: (212) 826-0100

If to the Remarketing Agent, to it at:

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

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

Jay M. Goldstone, Managing Director
445 South Figueroa Street, 5th Floor
Los Angeles, CA 90071
Tel: 213-236-5993
Fax: 213-236-6917
Email: jgoldstone@us.mufg.jp

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

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

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

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

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

Section 9.2. Governing Law; Venue. (a) PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; *PROVIDED, HOWEVER*, THE OBLIGATIONS OF THE COUNTY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

(b) Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement, the Letter of Credit or any document related hereto or thereto may be brought in the courts of the State located in the City of Los Angeles or the United States of America District Court for the Central District of California and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the maximum extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. All mailings under this Section 9.2 shall be by certified mail, return receipt requested.

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

Section 9.3. Waiver of Jury Trial; Judicial Reference. (a) With respect to any suit, actions or proceedings relating to this Agreement, the Fee Letter or Bank Bonds, to the fullest extent permitted by applicable law, the Corporation, the County and the Bank each waives any right it may have to trial by jury. The Corporation and the County further warrants and

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

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

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

Section 9.4. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the County, the Corporation and the Bank and their respective successors and assigns, except that neither the County nor the Corporation may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Bank and the Bond Insurer (so long no Bond Insurer Event of Default has occurred and is continuing and the Bond Insurance Policy is in effect). Except as provided subsections (b) and (c) below and except during the continuance of an Event of Default, the Bank may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the County and the Bond Insurer (so long no Bond Insurer Event of Default has occurred and is continuing and the Bond Insurance Policy is in effect).

(b) The Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights (but not its obligations) under this Agreement and the Letter of Credit. The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in the Drawings under the Letter of Credit and the reimbursement obligations, Liquidity Advances and Term Loans arising therefrom. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the County, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the County shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement and the Letter of Credit. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the County hereunder and under the Related Documents, including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement or any Related Document; *provided* that such participation agreement may

provide that, without first obtaining the consent of the Participant thereunder, the Bank will not agree to any modification, amendment or waiver of this Agreement or the Indenture which (i) increases or decreases the stated amount of the Letter of Credit, (ii) reduces the principal of or interest on any unreimbursed Drawing, Liquidity Advance or Term Loan owing to the Bank, (iii) postpones or changes the date fixed for any payment of principal of or interest on any unreimbursed Drawing, Liquidity Advance or Term Loan or fees owing to the Bank, (iv) decreases the formula by which the fees for the Letter of Credit are calculated or (v) releases the Lien of the Trustee over the Rental Payments. The County and the Corporation each agrees that each Participant shall be entitled to the benefits of Sections 3.3, 3.5(b) and 4.2 hereof with respect to its participating interest, *provided* that no Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment than the Bank would have been entitled to receive with respect to the rights participated or transferred.

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

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

Section 9.6 Amendments; Waivers. None of the provisions of this Agreement may be amended, changed, waived, discharged or terminated except by an instrument in writing signed and duly executed by the parties; *provided, however*, that so long as the Bond Insurance Policy is still in effect, consent of the Bond Insurer shall be required in order to amend, change, waive, discharge or terminate any of the following provisions of the Agreement: (i) the definition of "Bond Insurer Downgrade Event," (ii) the definition of "Bond Insurer Event of Default," (iii) the definition of "Cancellation Agreement," (iv) the definition of "Maximum Bank Rate," (v) Section 2.4, (vi) Section 2.8, (vii) Section 2.10(a), (viii) Section 6.13, (ix) Section 6.16, (x) Section 7.16, (xi) Article VIII, (xii) Section 9.4(a), (xiii) this Section 9.6 or (xiv) Section 9.10.

Section 9.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

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

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

Section 9.10. Bond Insurer Notices; Third Party Beneficiary. So long as the Bond Insurance Policy remains in effect, the Corporation, the County and the Bank shall provide the Bond Insurer with a copy of all notices delivered to either party. Any provision of this Agreement requiring the consent of the Bond Insurer shall cease to apply upon the occurrence of a Bond Insurer Event of Default. The Bond Insurer is hereby expressly made a third party beneficiary of this Agreement.

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

Section 9.12. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), each of the County and the Corporation acknowledges and agrees, and acknowledges their respective Affiliates' understanding, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between each of the County and the Corporation, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) each of the County and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the County and the Corporation is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for either of the County or the Corporation, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to any of the County or the Corporation with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of either of the County or the Corporation, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to either of the County or the Corporation. To the fullest extent permitted by law, each of the County and the Corporation, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

[Remainder of page intentionally left blank.]

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

COUNTY OF RIVERSIDE ASSET LEASING
CORPORATION

By: _____
Name: _____
Title: _____

COUNTY OF RIVERSIDE

By: _____
Name: _____
Title: _____

MUFG UNION BANK, N.A.

By: _____
Name: _____
Title: _____

For Purposes of Section 2.10:
Acknowledged and Agreed

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

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF LETTER OF CREDIT
IRREVOCABLE LETTER OF CREDIT

[November 4, 2016]
Letter of Credit No. [LC# _____]

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services

Ladies and Gentlemen:

We hereby establish in your favor at the request and for the account of the County of Riverside our irrevocable Letter of Credit in the amount of U.S. **[\$75,043,644] [Seventy Five Million Forty Three Thousand Six Hundred Forty Four Dollars]** (such initial stated amount, as reduced or increased as provided herein from time to time, the "*Stated Amount*") in connection with the Bonds (as defined below) available with ourselves by sight payment against presentation of one or more signed and dated demands addressed by you to MUFG Union Bank, N.A., 1980 Saturn Street, Monterey Park, California 91775-7417, Attention: [**Standby Letters of Credit**] or by teletype at teletypewriter number (323) 720-2773 (the "*Presentation Office*"), each in the form of Annex A (an "*A Drawing*"), Annex B (a "*B Drawing*"), Annex C (a "*C Drawing*"), Annex D (a "*D Drawing*") or Annex E (a "*E Drawing*") hereto (with all instructions in brackets therein being complied with). Each such demand must be presented to us (1) in its signed and dated original form at the Presentation Office (as hereinafter defined), or (2) by facsimile transmission of such signed and dated original form to our teletypewriter number specified after our signature on this Letter of Credit (the "*MUFG Teletype Number*").

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

This Letter of Credit expires at the Presentation Office on **[December 4, 2021]** or, if such date is not a Business Day, then on the first (1st) succeeding Business Day thereafter (the "*Termination Date*").

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

We hereby agree with you that each demand presented hereunder in full compliance with the terms hereof will be duly honored by our payment to you of the amount of such demand, in immediately available funds of MUFG Union Bank, N.A.:

(i) not later than 2:30 p.m., local time at the Presentation Office, on the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before 9:00 a.m., local time at the Presentation Office, or

(ii) not later than 12:00 p.m., local time at the Presentation Office, on the Business Day following the Business Day on which such demand is presented to us as aforesaid, if such presentation is made to us after 9:00 a.m., local time at the Presentation Office.

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

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

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

(A) With respect to each A Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the amount of such A Drawing with respect to all demands presented to us after the time we receive such A Drawing; *provided, however*, that the amount of such A Drawing shall be automatically reinstated on the sixth (6th) Business Day following the date such A Drawing is honored by us, unless (i) you shall have received notice from us sent to you at your above address by express courier or registered mail, or by facsimile transmission to your fax number [(213) 615-6198] (the "*Beneficiary Fax Number*"), no later than five (5) Business Days after such A Drawing is honored by us, that there shall be no such reinstatement, or (ii) such sixth (6th) Business Day falls after the Expiration Date;

(B) With respect to each B Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such B Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the B Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the B Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the B Drawing calculated for 50 days at the rate of twelve

percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent), and no part of such sum shall be reinstated;

(C) With respect to each C Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such C Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the C Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the C Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the C Drawing calculated for 50 days at the rate of twelve percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); *provided, however,* that if the Bonds (as defined below) related to such C Drawing are remarketed and the remarketing proceeds are paid to us prior to the Termination Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (C) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; *provided, however,* that in no event will the total amount of all C Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (C).

(D) With respect to each D Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such D Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the D Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the D Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the D Drawing calculated for 50 days at the rate of twelve percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); *provided, however,* that if the Bonds (as defined below) related to such D Drawing are remarketed and the remarketing proceeds are paid to us prior to the Termination Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (D) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; *provided, however,* that in no event will the total amount of all D Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (D).

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

No A Drawing which we honor shall be for an amount more than U.S. \$[1,213,644].

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

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

This Letter of Credit is transferable and may be transferred more than once, but in each case only in the amount of the full unutilized balance hereof to any single transferee who you shall have advised us pursuant to Annex G has succeeded U.S. Bank National Association or a successor trustee as Trustee under the Indenture of Trust, dated as of December 1, 2008, as supplemented from time to time (the "Indenture"), among the County of Riverside Asset Leasing Corporation (the "Corporation"), the County of Riverside and U.S. Bank National Association, as Trustee, pursuant to which U.S. \$[73,830,000] aggregate principal amount of the Corporation's Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding) (the "Bonds") were issued. Transfers may be effected only through ourselves and only upon presentation to us at the Presentation Office of a duly signed and dated instrument of transfer in the form attached hereto as Annex G (with all instructions therein in brackets complied with). Any transfer of this Letter of Credit as aforesaid must be endorsed by us on the reverse hereof and may not change the place for presentation of demands to a place other than the Presentation Office.

All payments hereunder shall be made from our own funds.

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

MUFG UNION BANK, N.A.

Telecopy: (323) 720-2773

By: _____
[Authorized Signature]

ANNEX A
TO
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT NO. [LC# _____]

DRAWING FOR INTEREST ON AN ORDINARY INTEREST PAYMENT DATE

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

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

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT, ON AN INTEREST PAYMENT DATE (AS DEFINED IN THE INDENTURE), OF UNPAID INTEREST ON THE BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$[INSERT AMOUNT].

(5) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 2:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

ANNEX B
To
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT No. [LC# _____]

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

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO MUFG UNION BANK, N.A. (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT No. [LC# _____] (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND THE UNPAID INTEREST ON, REDEEMED BONDS UPON AN OPTIONAL AND/OR MANDATORY REDEMPTION OF LESS THAN ALL OF THE BONDS CURRENTLY OUTSTANDING.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT HEREBY DEMANDED IS EQUAL TO THE SUM OF (A) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF THE REDEEMED BONDS AND (B) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE REDEEMED BONDS.

(6) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 2:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

ANNEX C
To
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT NO. [LC# _____]

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

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

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

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND INTEREST DUE ON, THOSE BONDS WHICH THE REMARKETING AGENT (AS DEFINED IN THE INDENTURE) HAS BEEN UNABLE TO REMARKET WITHIN THE TIME LIMITS ESTABLISHED IN THE INDENTURE.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS]

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.

(6) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE 8:30 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 12:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 8:30 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SAID BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

ANNEX D
To
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT No. [LC# _____]

DRAWING FOR PURCHASE PURSUANT TO SECTION 403 OF THE INDENTURE

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO MUFG UNION BANK, N.A. (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT No. [LC# _____] (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON THE MANDATORY TENDER OF ALL SUCH BONDS PURSUANT TO SECTION 403 OF THE INDENTURE.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS]

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.

(6) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 2:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

ANNEX E
To
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT NO. [LC# _____]

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

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

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

(1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.

(2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON (A) THE STATED MATURITY OF ALL SUCH BONDS, (B) THE MANDATORY TENDER OF ALL SUCH BONDS (OTHER THAN PURSUANT TO SECTION 403 OF THE INDENTURE), OR (C) THE REDEMPTION OF ALL SUCH BONDS.

(3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS]

(4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS SET FORTH IN PARAGRAPH 5, BELOW].

(5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID PRINCIPAL OF THE OUTSTANDING BONDS AND (B) \$[INSERT AMOUNT] BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE OUTSTANDING BONDS.

(6) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 2:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 9:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**ANNEX F
TO
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT NO. [LC# _____]**

LETTER OF CREDIT REDUCTION AUTHORIZATION

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [**Standby Letters of Credit**]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[**INSERT NAME OF BENEFICIARY**], WITH REFERENCE TO LETTER OF CREDIT NO. [**LC# _____**] ISSUED BY MUFG UNION BANK, N.A. (THE "*BANK*"), HEREBY UNCONDITIONALLY AND IRREVOCABLY REQUESTS THAT THE BANK DECREASE THE AMOUNT AVAILABLE FOR DRAWING UNDER THE LETTER OF CREDIT BY \$[**INSERT AMOUNT**].

[FOR SIGNED REDUCTION AUTHORIZATIONS ONLY]

[INSERT NAME OF BENEFICIARY]

By: [**Insert Signature**]

Title: [**Insert Title**]

Date: [**Insert Date**]

ANNEX G
TO
MUFG UNION BANK, N.A.
IRREVOCABLE LETTER OF CREDIT NO. [LC# _____]

TRANSFER OF LETTER OF CREDIT

MUFG Union Bank, N.A.
1980 Saturn Street
Monterey Park, California 91755-7417
Attention: [Standby Letters of Credit]
Telecopy: (323) 720-2773

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT DATE]

Subject: Your Letter of Credit No. [LC# _____]

Ladies and Gentlemen:

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

[Name of Trustee]

[Name of Transferee]

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

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

You are hereby advised that the transferee named above has succeeded _____ or a successor trustee, as Trustee under the Indenture of Trust, dated as of December 1, 2008, as supplemented from time to time (the "Indenture"), among the County of

Riverside Asset Leasing Corporation (the "*Corporation*"), the County of Riverside and U.S. Bank National Association, as Trustee, pursuant to which U.S. \$[78,895,000] aggregate principal amount of the Corporation's Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding) (the "*Bonds*") were issued.

Very truly yours,

[INSERT NAME OF TRANSFEROR]

By: _____
[Insert Name and Title]

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

[INSERT NAME OF TRANSFEREE]

By: _____
[Insert Name and Title]
Telephone: [Insert Telephone Number]

EXISTING ISSUE**REMARKETING BOOK-ENTRY ONLY****RATINGS: See "Ratings" herein**

On December 10, 2008, the date of issuance of the Series 2008A Bonds, Nixon Peabody LLP, Bond Counsel, delivered an opinion to the effect that, under then existing law and assuming compliance with tax covenants made by the County and the Corporation, and the accuracy of representations and certifications made by the County and the Corporation, interest on the Series 2008A Bonds was excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and was not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals or corporations. Bond Counsel was of the opinion that interest on the Series 2008A Bonds was, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Bond Counsel was further of the opinion that interest on the Series 2008A Bonds was exempt from personal income taxes of the State of California (the "State") under then existing State law. Such opinion spoke only as of its date and has not been updated in connection with this remarketing. In connection with the provision of an alternate Credit Facility, mandatory tender and remarketing of the Series 2008A Bonds, Bond Counsel will deliver its opinion that such provision of an alternate Credit Facility, mandatory tender and remarketing of the Series 2008A Bonds will not, in and of itself, adversely affect the tax-exempt status of interest on the Series 2008A Bonds. Bond Counsel is not rendering any opinion on the current tax status of the Series 2008A Bonds. See "TAX MATTERS" herein.

\$71,140,000

**COUNTY OF RIVERSIDE ASSET LEASING CORPORATION
VARIABLE RATE DEMAND LEASEHOLD REVENUE REFUNDING BONDS,
SERIES 2008A
(SOUTHWEST JUSTICE CENTER REFUNDING)
CUSIP: 768903ED4**

Dated Date of Issuance: December 10, 2008**Price: 100%****Due: November 1, 2032**

The County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) (the "Series 2008A Bonds") are issued and outstanding pursuant to an Indenture of Trust, dated as of December 1, 2008 (the "Original Indenture"), among the County of Riverside Asset Leasing Corporation (the "Corporation"), the County of Riverside (the "County") and U.S. Bank National Association, as trustee and tender agent (the "Trustee" or "Tender Agent") as amended and supplemented by a First Supplemental Indenture of Trust, dated as of October 1, 2011 (the "Supplemental Indenture" and together with the Original Indenture, the "Indenture"), among the Corporation, the County and the Trustee.

The County is replacing the current credit facility supporting the Series 2008A Bonds with an alternate credit facility effective [_____, 2016]. In connection with this replacement, the Series 2008A Bonds are subject to a mandatory tender and remarketing as described in this Remarketing Memorandum. The proceeds of this remarketing will reimburse the initial provider of the Credit Facility for payment of the purchase price of the tendered Series 2008A Bonds.

The Series 2008A Bonds are available in fully registered form only, and are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC is acting as securities depository for the Series 2008A Bonds. Ownership interests in the Series 2008A Bonds may be purchased in book-entry form only. Principal of, premium, if any, and interest on the Series 2008A Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Series 2008A Bonds.

The Series 2008A Bonds are payable from revenues consisting primarily of base rental payments made to the Corporation by the County for the leased premises (consisting of a Sheriff's station, a jail facility, a court facility and a juvenile detention center (collectively, the "Justice Center" or the "Leased Premises") pursuant to the Facilities Lease, dated as of December 1, 2008 (the "Facilities Lease") between the County and the Corporation. The base rental payments made by the County are for the use and possession by the County of the Leased Premises, subject to complete or partial abatement resulting from substantial interference with the use and possession by the County of the Leased Premises caused by damage, destruction or condemnation with respect to the Leased Premises. The County has covenanted in the Facilities Lease to take such action as may be necessary to include base rental and additional rental payments due under the Facilities Lease in its annual budget and to make necessary annual appropriations therefor.

Payment of the principal of and interest on, and the purchase price with respect to, the Series 2008A Bonds will be supported by and payable from amounts drawn by the Trustee under an irrevocable direct draw letter of credit (the "Credit Facility") issued by

MUFG UNION BANK, N.A.

The Credit Facility will be issued in an amount equal to the outstanding principal amount of the Series 2008A Bonds plus up to [50 days' interest thereon calculated at the rate of 12% per annum]. The Credit Facility, unless extended, will expire

on [_____, 20__], and will permit the Trustee to draw thereunder amounts sufficient to pay (a) the principal of the Series 2008A Bonds when due at maturity or upon earlier redemption, (b) regularly scheduled interest on the Series 2008A Bonds or interest due upon redemption of any Series 2008A Bonds, and (c) the purchase price of Series 2008A Bonds tendered or subject to mandatory tender and not remarketed.

Payment of scheduled principal and interest on the Series 2008A Bonds is also supported by a financial guaranty insurance policy issued by Assured Guaranty Corp.

The Series 2008A Bonds are subject to mandatory and optional redemption and optional tender and mandatory tender as described herein.

The Series 2008A Bonds bear interest at a rate which is determined on a weekly basis (the "Weekly Interest Rate") by Citigroup Global Markets Inc., as remarketing agent (the "Remarketing Agent"). The Series 2008A Bonds will continue to bear interest at a Weekly Interest Rate unless, at the option of the Corporation and upon the satisfaction of certain conditions, the interest rate on the Series 2008A Bonds is converted to a Daily Interest Rate or a Term Interest Rate (each as defined herein). While bearing a Weekly Interest Rate or a Daily Interest Rate, the Series 2008A Bonds are subject to purchase on demand of the owners thereof as described herein.

While bearing a Weekly Interest Rate: (i) the Series 2008A Bonds are issuable in denominations of \$100,000 or any multiple of \$5,000 in excess thereof; (ii) interest is computed on the basis of a 365- or 366-day year, as appropriate, for the actual number of days elapsed; and (iii) interest is payable on the first Wednesday of each month or, if not a business day, on the first business day thereafter. The first interest payment date following the Remarketing Date shall be [_____, 201_].

The Series 2008A Bonds are special, limited obligations of the Corporation, payable from and secured solely by Revenues (as defined herein) and certain funds and accounts established by the Indenture. The obligation of the County to make Base Rental (as defined herein) payments does not constitute an obligation for which the County is obligated to levy or pledge any form of taxation. Neither the County nor any public agency (other than the Corporation to the extent of Base Rental payments received from the County) shall be obligated to pay the principal or redemption price of, or interest on, the Series 2008A Bonds. Neither the faith and credit nor the taxing power of the County or any public agency is pledged to the payment of the principal, premium, if any, or interest on the Series 2008A Bonds. The Corporation has no taxing power.

This cover page contains information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Remarketing Memorandum to obtain information essential to making an informed investment decision.

Certain legal matters will be passed upon for the Corporation and the County by Nixon Peabody LLP, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the County and the Corporation by County Counsel. Certain legal matters will be passed upon for the Credit Provider by Chapman & Cutler LLP. It is expected that delivery of the remarketed Series 2008A Bonds will be made through the facilities of DTC on [_____, 2016].

**Citigroup
as Remarketing Agent**

Dated: [_____, 2016]

IMPORTANT NOTICES

No dealer, broker, salesperson or other person has been authorized by the County, the Corporation or the Remarketing Agent to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the County, the Corporation or the Remarketing Agent. This Remarketing Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2008A Bonds by a person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

The information set forth herein has been obtained from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Remarketing Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Remarketing Memorandum is submitted in connection with the remarketing of the Series 2008A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County.

This Remarketing Memorandum is not to be construed as a contract with the purchasers of the Series 2008A Bonds. Statements contained in this Remarketing Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Remarketing Agent has provided the following sentence for inclusion in this Remarketing Memorandum. The Remarketing Agent has reviewed the information in this Remarketing Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or the completeness of such information.

In connection with this remarketing the Remarketing Agent may over allot or effect transactions which stabilize or maintain the market price of the Series 2008A Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Remarketing Agent may offer and sell the Series 2008A Bonds to certain dealers and banks at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time-to-time by the Remarketing Agent.

The Bond Insurer (as defined herein) makes no representation regarding the Series 2008A Bonds or the advisability of investing in the Series 2008A Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for accuracy or completeness of this Remarketing Memorandum or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information under the heading "BOND INSURANCE" and APPENDIX G—"FINANCIAL GUARANTY INSURANCE POLICY."

The Series 2008A Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such act. The Series 2008A Bonds have not been registered or qualified under the securities laws of any state.

The County maintains a website; however, information presented there is not a part of this Remarketing Memorandum and should not be relied upon in making an investment decision with respect to the Series 2008A Bonds.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Remarketing Memorandum constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information in APPENDIX A—"INFORMATION REGARDING THE COUNTY OF RIVERSIDE" in this Remarketing Memorandum. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements achieved to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

COUNTY OF RIVERSIDE

County Executive Office
4th Floor
4080 Lemon Street
Riverside, California 92501

Board of Supervisors and Authority Board

John Benoit, Fourth District, Chairman
Kevin Jeffries, First District
John Tavaglione, Second District
Chuck Washington, Third District
Marion Ashley, Fifth District

County Officials

Jay Orr, County Executive Officer
Don Kent, Treasurer-Tax Collector
Paul Angulo, Auditor-Controller
Peter Aldana, Assessor-County Clerk-Recorder
Gregory P. Priamos, County Counsel
Paul McDonnell, Finance Director

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

Board of Directors

[update as needed]

Harold Trubo, President and Chairman
Charles Bryant, Vice President
Joe Deledonne, Treasurer
Kari Middleton Hendrix, Secretary

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Nixon Peabody LLP
Los Angeles, California

Trustee

U.S. Bank National Association
Los Angeles, California

TABLE OF CONTENTS

	Page
INTRODUCTION	1
SUMMARY OF REMARKETING.....	2
THE JUSTICE CENTER.....	2
THE SERIES 2008A BONDS	3
General.....	3
Interest Rate Provisions	5
Optional and Mandatory Purchase.....	7
Redemption.....	9
CERTAIN CONSIDERATIONS RELATING TO THE SERIES 2008A BONDS.....	11
The Remarketing Agent is Paid by the County	11
The Remarketing Agent May Purchase Series 2008A Bonds for Its Own Account	11
The Series 2008A Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date.....	11
The Ability to Sell the Series 2008A Bonds other than through Tender Process May Be Limited.....	12
Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series 2008A Bonds, Without a Successor Being Named.....	12
SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2008A BONDS.....	12
Special Obligation of Corporation.....	12
The Credit Facility; Provision of Alternate Credit Facilities.....	12
Source of Payment.....	14
Debt Service Reserve Fund.....	15
Debt Service Reserve Fund Surety Bond	16
Bond Insurance	16
Rental Interruption and Casualty Insurance.....	16
Additional Bonds.....	17
THE CREDIT PROVIDER	17
MUFG Union Bank, N.A.....	17
THE CREDIT FACILITY AND THE CREDIT AGREEMENT.....	17
The Credit Facility	17
The Credit Agreement	18
BOND INSURANCE	22
The Insurance Policy	22
The Insurance Policy Cancellation Agreement	22
The Bond Insurer	22
BONDHOLDERS' RISKS	23
General Considerations – Security for the Bonds.....	23
Expiration of the Credit Facility	24
Credit Provider's and Bond Insurer's Obligations Unsecured	24
General Factors Affecting the Credit Provider.....	24
Limitation on Enforcement of Remedies.....	25

TABLE OF CONTENTS
(continued)

	Page
Abatement.....	25
Seismic Events; Force Majeure	26
Risk of Uninsured Loss.....	27
Default and Limitations on Remedies	27
Limitation on Sources of Revenues	27
Substitution of Property	28
Hazardous Substances.....	28
State’s Greenhouse Gas Regulation Could Affect County’s General Fund	28
Drought Conditions.....	29
Bankruptcy.....	29
Change in Law	32
State Law Limitations on Appropriations.....	32
IRS Audit of Tax-Exempt Bond Issues	32
Secondary Market for Bonds	32
SWAP AGREEMENT	32
THE COUNTY	33
THE CORPORATION	34
CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.....	34
Article XIII A of the State Constitution.....	34
Legislation Implementing Article XIII A	35
Article XIII B of the State Constitution.....	35
Articles XIII C and XIII D of the State Constitution.....	36
Proposition 62	37
Proposition 1A	37
Proposition 22	38
Proposition 26	38
Possible Future Initiatives.....	38
STATE OF CALIFORNIA BUDGET INFORMATION.....	39
State Budget for Fiscal Year 2016-17.....	39
Future State Budgets.....	40
Possibility of Non-Renewal of Proposition 30 Revenues.....	40
TAX MATTERS.....	40
RATINGS	42
REMARKETING	42
FINANCIAL STATEMENTS	43
CONTINUING DISCLOSURE.....	43
CERTAIN LEGAL MATTERS	44
MISCELLANEOUS	44

TABLE OF CONTENTS
(continued)

	Page
APPENDIX A – INFORMATION REGARDING THE COUNTY OF RIVERSIDE	A-1
APPENDIX B – COUNTY OF RIVERSIDE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015.....	B-1
APPENDIX C – BOOK-ENTRY ONLY SYSTEM.....	C-1
APPENDIX D – SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS	D-1
APPENDIX E -- CONTINUING DISCLOSURE CERTIFICATE.....	E-1
APPENDIX F – OPINIONS OF BOND COUNSEL.....	F-1
APPENDIX G – FINANCIAL GUARANTY INSURANCE POLICY	G-1

REMARKETING MEMORANDUM

\$71,140,000
COUNTY OF RIVERSIDE ASSET LEASING CORPORATION
VARIABLE RATE DEMAND LEASEHOLD REVENUE REFUNDING BONDS
SERIES 2008A
(SOUTHWEST JUSTICE CENTER REFUNDING)

INTRODUCTION

The purpose of this Remarketing Memorandum, including the cover and the Appendices attached hereto, is to provide information in connection with the remarketing of \$71,140,000 aggregate principal amount of County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) (the "Series 2008A Bonds"). The Series 2008A Bonds are issued and outstanding pursuant to an Indenture of Trust, dated as of December 1, 2008, as amended by a First Supplemental Indenture of Trust, dated as of October 1, 2011 (collectively, the "Indenture"), each by and among the County of Riverside Asset Leasing Corporation (the "Corporation"), the County of Riverside (the "County") and U.S. Bank National Association, as trustee (the "Trustee").

The Series 2008A Bonds were issued on December 10, 2008 to provide funds to refund and redeem all the outstanding County of Riverside Asset Leasing Corporation Leasehold Revenue Bonds, Adjustable Rate Series 2000B (Southwest Justice Center Project) (the "Series 2000B Bonds"). Proceeds of the Series 2000B Bonds, together with proceeds of the County of Riverside Asset Leasing Corporation Leasehold Revenue Bonds, Fixed Rate Series 2000A (Southwest Justice Center Project) (collectively with the Series 2000B Bonds, the "Series 2000 Bonds") were issued to provide funds to finance the acquisition, construction and expansion of a jail facility, a new court facility and a new juvenile detention center collectively, together with a Sheriff station and the existing jail facility on site, known as the Southwest Justice Center (the "Justice Center").

Pursuant to a Site Lease, dated as of December 1, 2008 (the "Site Lease"), by and between the County and the Corporation, the County leases the real property and existing improvements thereon comprising the Justice Center (the "Leased Premises") to the Corporation. Pursuant to a Facilities Lease, dated as of December 1, 2008, by and between the Corporation and the County (the "Facilities Lease"), the Leased Premises is leased by the Corporation to the County. See "THE JUSTICE CENTER."

The Series 2008A Bonds are special, limited obligations of the Corporation, payable from Revenues (as defined herein) and certain funds and accounts established by the Indenture. Revenues consist primarily of base rental payments (the "Base Rental") to be made by the County to the Corporation as rental for the Leased Premises pursuant to the Facilities Lease. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2008A BONDS." The County is also required under the Facilities Lease to pay as Additional Rental certain other costs and expenses relating to the Leased Premises and the Trustee. See APPENDIX D—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS." The Base Rental payments made by the County are for the use and possession by the County of the Leased Premises, subject to complete or partial abatement resulting from substantial interference with the use and possession by the County of the Leased Premises caused by material damage, destruction, condemnation or defect in title with respect to the Leased Premises. See "BONDHOLDERS' RISKS" herein. The County covenants in the Facilities Lease to take such action as may be necessary to include all rental payments for the Leased Premises in its annual budget and to make the necessary annual appropriations therefor.

Following their remarketing on [_____, 2016], the Series 2008A Bonds will be supported by an irrevocable direct-pay letter of credit (the "Credit Facility") issued by MUFG Union Bank, N.A. (the "Credit Provider"). Under the Credit Facility, the Trustee will be permitted to draw an amount not exceeding the stated amount indicated in the Credit Facility (the "Stated Amount") for the payment of the principal and purchase price of, and interest on, the Series 2008A Bonds (other than Series 2008A Bonds owned by or for the account of the Corporation or the Credit Provider ("Purchased Bonds")), whether at maturity, prior redemption, purchase, on an Interest Payment Date (as defined below) or otherwise. The Stated Amount of the Credit Facility on any date will be based upon the aggregate principal amount of the Outstanding Series 2008A Bonds on or prior to such date and interest on such Series 2008A Bonds for up to [50 days calculated at a rate of 12% per annum based on a 365 day year for the actual number of days elapsed]. In consideration for issuing the Credit Facility, the County and the Corporation will enter into a Reimbursement Agreement, dated as of [_____, 2016] (the "Credit Agreement"), with the Credit Provider. For information about the Credit Provider, see "THE CREDIT PROVIDER." For a further description of the Credit Facility and the terms of the Credit Agreement, see "THE CREDIT FACILITY AND THE CREDIT AGREEMENT."

At the time of issuance of the Series 2008A Bonds, the Corporation obtained financial guaranty insurance policies from Assured Guaranty Corp. (the "Bond Insurer") to insure the Corporation's obligations with respect to the Series 2008A Bonds (the "Bond Insurance Policy") and the Swap Agreement (as defined herein) (the "Swap Insurance Policy"). Among other things, the Swap Insurance Policy fulfills the Corporation's collateral obligations under the Swap Agreement. See "SWAP AGREEMENT" herein. Thus, in addition to the support provided by the Credit Facility, the payment of scheduled principal of and interest on the Series 2008A Bonds is also guaranteed under the Bond Insurance Policy issued by the Bond Insurer. See "BOND INSURANCE."

Brief descriptions of the Series 2008A Bonds, the Facilities Lease, the Site Lease, the Indenture, the Continuing Disclosure Certificate (as defined herein), the Credit Facility, the County and the Corporation are provided below. Such descriptions do not purport to be comprehensive or definitive. All references made to various documents herein are qualified in their entirety by reference to the forms thereof, copies of which may be obtained from the Trustee in Los Angeles, California. All capitalized terms used and not otherwise defined in this Remarketing Memorandum shall have the meanings set forth in the Facilities Lease or the Indenture. See APPENDIX D—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS OF CERTAIN TERMS."

SUMMARY OF REMARKETING

The current credit facility supporting the Series 2008A Bonds (the "Expiring Credit Facility") expires pursuant to its terms on December 4, 2016. The County has decided to replace the Expiring Credit Facility with the Credit Facility. In connection with such expiration and replacement, the Indenture requires that all of the outstanding Series 2008A Bonds be mandatorily tendered and remarketed. The proceeds of the remarketing of the Series 2008A Bonds will be used to reimburse the initial provider of the Credit Facility for its payment to the holders of the Series 2008A Bonds that are tendered. The mandatory tender and remarketing will occur on [_____, 2016].

THE JUSTICE CENTER

The Justice Center is located approximately five miles east of the City of Temecula on a site of approximately 52 acres purchased by the County in 1987 for \$2.5 million (the "Site"). The Site includes a Sheriff's station, completed in 1992 and consisting of approximately 33,000 square feet, and a jail facility, containing approximately 124,000 square feet and capable of housing 535 inmates. The total cost of the Sheriff's station and existing jail facility was approximately \$24 million, which was funded from

development mitigation fees, state grants and the County's general fund. The Sheriff's station and jail are part of the Leased Premises leased from the County to the Corporation pursuant to the Site Lease, and leased back from the Corporation to the County pursuant to the Facilities Lease.

In addition to the Sheriff's Station and jail, the Justice Center includes three components financed with the proceeds of the Series 2000 Bonds: a jail facility expansion, a court facility and a juvenile detention facility. The new components of the Justice Center were completed in July 2003. The jail facility expansion added approximately 92,000 square feet to the prior jail facility, which provided an additional 283 cells and 535 jail beds, including 27 for violent offenders. The court facility provided 12 courtrooms (each capable of accommodating criminal cases), court support functions and administrative support functions, including offices for the District Attorney, Public Defender and Office of Probation. The court facility contains approximately 188,000 square feet. The juvenile detention facility, containing approximately 63,000 square feet, provided approximately 100 beds, classroom modules, medical and school staff, and a fully functional kitchen/dining service. The juvenile detention facility represents the first phase of a master-planned 200-bed facility.

THE Series 2008A BONDS

The following is a summary of certain provisions of the Series 2008A Bonds. Reference is made to the Series 2008A Bonds for the complete text thereof and to the Indenture for a more detailed description of such provisions. The discussion herein is qualified by such reference. See APPENDIX D—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS" attached hereto.

This Remarketing Memorandum provides certain information as of its date with respect to the Series 2008A Bonds prior to a conversion to any Interest Rate Period other than a Daily Interest Rate Period or a Weekly Interest Rate Period and is not intended to describe the Series 2008A Bonds after such a conversion. There are significant changes in the terms of the Series 2008A Bonds not described in this Remarketing Memorandum when the Series 2008A Bonds are not in a Daily Interest Rate Period or a Weekly Interest Rate Period. Purchasers of the Series 2008A Bonds should not rely on this Remarketing Memorandum for information concerning the Series 2008A Bonds in connection with any conversion of the Series 2008A Bonds to other than a Daily Interest Rate Period or a Weekly Interest Rate Period.

General

The Series 2008A Bonds currently bear interest at a Weekly Interest Rate for a Weekly Interest Rate Period. The Series 2008A Bonds may bear interest from time to time at (i) a Daily Interest Rate during a Daily Interest Rate Period, (ii) a Weekly Interest Rate during a Weekly Interest Rate Period, or (iii) a Long Term Interest Rate during a Long Term Interest Rate Period, as more fully described below. All of the Series 2008A Bonds must be in the same Interest Rate Period. Interest shall be computed, in the case of a Long Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and in the case of a Daily Interest Rate Period or a Weekly Interest Rate Period, on the basis of a 365 or 366-day year, as appropriate, for the actual number of days elapsed. When the Series 2008A Bonds bear interest at a Daily Interest Rate or Weekly Interest Rate, the authorized denominations will be \$100,000 or any multiple of \$5,000 in excess thereof, and when the Series 2008A Bonds bear interest at a Long Term Interest Rate, the authorized denominations will be \$5,000 or any integral multiple of \$5,000 (the "Authorized Denominations").

"Weekly Interest Rate Period" means each period during which Weekly Interest Rates are in effect; and "Weekly Interest Rate" means a variable interest rate on the Series 2008A Bonds established in accordance with the Indenture as the rate of interest per annum determined by the Remarketing Agent

(based on an examination of tax-exempt obligations comparable in the judgment of the Remarketing Agent to the Series 2008A Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by such 2008A Bonds, would enable the Remarketing Agent to sell all the Series 2008A Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof. The Weekly Interest Rate is determined by the Remarketing Agent by no later than 5:00 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, on the next succeeding Business Day.

“Daily Interest Rate Period” means each period during which a Daily Interest Rate is in effect; and “Daily Interest Rate” means a variable interest rate on the Series 2008A Bonds established in accordance with the Indenture which will be the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax-exempt obligations comparable in the judgment of the Remarketing Agent to the Series 2008A Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate which, if borne by such 2008A Bonds, would enable such Remarketing Agent to sell all such 2008A Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof.

“Long Term Interest Rate Period” means each period during which a Long Term Interest Rate is in effect; and “Long Term Interest Rate” means a term, non-variable interest rate on the Series 2008A Bonds established in accordance with the Indenture which will be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable in the judgment of the Remarketing Agent to the Series 2008A Bonds and known by the Remarketing Agent to have been priced or traded under then-prevailing market conditions) to be the minimum interest rate at which the Remarketing Agent will agree to purchase the Series 2008A Bonds on such effective date for resale at a price (without regarding accrued interest) which will result in the lowest net interest cost for the Series 2008A Bonds taking into account any premium or discount at which the Series 2008A Bonds are sold by the Remarketing Agent.

At no time shall any Series 2008A Bond (other than Series 2008A Bonds held by the Credit Provider) bear interest at a rate in excess of 12% per annum (the “Maximum Rate”). Interest on the Series 2008A Bonds or the principal portion thereof called for redemption will cease to accrue on the date fixed for redemption of such Series 2008A Bonds.

Interest on the Series 2008A Bonds is payable by the Trustee (i) during any Daily Interest Rate Period, on the first Business Day of each calendar month; (ii) during any Weekly Interest Rate Period, on the first Wednesday of each calendar month, provided that if any such Wednesday is not a Business Day, interest accrued through the immediately preceding Tuesday shall be paid on the next succeeding Business Day (thus the first Interest Payment Date following this remarketing will be January 2, 2014); (iii) during any Long Term Interest Rate Period, on each May 1 and November 1, or, if any such May 1 or November 1 is not a Business Day, on the next succeeding Business Day; (iv) with respect to each Interest Rate Period, the day next succeeding the last day thereof; and (v) any date specified in the Credit Agreement as a date on which interest is to be paid (each, an “Interest Payment Date”). “Business Day” means any day other than a Saturday, a Sunday or any other day on which banking institutions located in Los Angeles, California, New York, New York and St. Paul, Minnesota are authorized or required to remain closed for commercial bank purposes. “Interest Rate Period” means any Daily Interest Rate Period, Weekly Interest Rate Period or Long Term Interest Rate Period.

The term of the Series 2008A Bonds shall be divided into consecutive Interest Rate Periods selected by the Corporation. At any time, all Series 2008A Bonds (other than Series 2008A Bonds held by the Credit Provider) will bear interest at a Daily Interest Rate, a Weekly Interest Rate or a Long Term

Interest Rate. For any Daily Interest Rate Period, interest accrues from the first day thereof and thereafter from the first day of each calendar month during such Daily Interest Rate Period. For any Weekly Interest Rate Period, interest accrues at the Weekly Interest Rate from the first Wednesday of each calendar month, to and including the Tuesday preceding the first Wednesday of the next calendar month. For any Long Term Interest Rate Period, interest accrues from the first day thereof and thereafter from each Interest Payment Date in respect thereof (other than the last such Interest Payment Date), to and including the day immediately preceding the next succeeding Interest Payment Date.

Interest Rate Provisions

Daily Interest Rate. The Daily Interest Rate with respect to any Series 2008A Bonds (other than Purchased Bonds) bearing interest for a Daily Interest Rate Period will be determined by the Remarketing Agent on each Business Day for such Business Day during a Daily Interest Rate Period.

The Daily Interest Rate for any day during a Daily Interest Rate Period which is not a Business Day will be the same as the Daily Interest Rate for the immediately preceding Business Day. If the Remarketing Agent shall not have determined a Daily Interest Rate for any Business Day, the Daily Interest Rate for such Business Day will be the same as the Daily Interest Rate for the immediately preceding day and such rate will continue until the earlier of the day the Remarketing Agent determines a new Daily Interest Rate or the seventh day succeeding the first day on which the Daily Interest Rate was not determined by the Remarketing Agent.

If the Remarketing Agent does not determine a Daily Interest Rate by the seventh day succeeding the first day on which the Remarketing Agent has not determined the Daily Interest Rate, or if for any reason a Daily Interest Rate determined by the Remarketing Agent for any day shall be held to be invalid or unenforceable by a court of law, the interest rate applicable to the Series 2008A Bonds will be the interest rate per annum equal to 110% of the SIFMA Swap Index most recently made available prior to the date of determination, or if such index is no longer available, or no such index was made available for the week preceding the date of determination, 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in *The Wall Street Journal* for each Business Day and for the next preceding Business Day for each day which is not a Business Day until the Daily Interest Rate is again validly determined by the Remarketing Agent.

Weekly Interest Rate. The Weekly Interest Rate will be determined by the Remarketing Agent by no later than 5:00 p.m., New York City time, on Tuesday of each week during a Weekly Interest Rate Period or the next succeeding Business Day if such Tuesday is not a Business Day. The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Wednesday and ending on the next succeeding Tuesday, unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate will apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period.

If the Remarketing Agent fails to establish a Weekly Interest Rate for any week during a Weekly Interest Rate Period, the interest rate for such week will be deemed to be the same as the Weekly Interest Rate for the immediately preceding week, if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. If for any reason the Remarketing Agent did not determine the Weekly Interest Rate for the immediately preceding week, or if a Weekly Interest Rate determined by the Remarketing Agent for any week shall be held to be invalid or unenforceable by a court of law, the interest rate for such week will be equal to 110% of the SIFMA Swap Index most recently made available