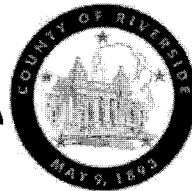


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.20
(ID # 6484)

MEETING DATE:

Tuesday, June 26, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of the Third Amendment to the Equipment Lease/Purchase Agreement Between the County of Riverside and Banc of America Public Capital Corp.; Adopt Resolution No. 2018-133 Authorizing the Execution and Delivery of the Third Amendment and Related Documents; All Districts, [\$16,000 – EDA Energy 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Third Amendment to the Equipment Lease/Purchase Agreement between the County of Riverside and Banc of America Public Capital Corp for the purpose of continuing project construction;
2. Authorize the Chairman of the Board to execute the Amendment on behalf of the County;
3. Adopt Resolution No. 2018-133 Authorizing the Execution and Delivery of the Third Amendment and Related Documents;
4. Approve the selection of Jones Hall, a professional law corporation, as bond counsel to provide a tax-exempt opinion per federal tax requirements and to comply with closing escrow instructions at a cost not to exceed \$16,000; and
5. Authorize the Assistant County Executive Officer/ECD, or his designee, to execute any other related documents and certificates to consummate this transaction.

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/ECD 3/15/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Perez
Nays: None
Absent: Ashley
Date: June 26, 2018
xc: EDA

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$16,000	\$0	\$16,000	\$0
NET COUNTY COST	\$16,000	\$0	\$16,000	\$0
SOURCE OF FUNDS: EDA Energy 100%			Budget Adjustment:	No
			For Fiscal Year: 2015/16-	
			2036/37	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In October 2014, the Board of Supervisors approved an Energy Conservation Program to install solar photovoltaic systems on multiple county-owned sites in Southern California Edison (SCE) territory. The County of Riverside entered into an Energy Services Contract with OpTerra Energy Services and an Equipment Lease/Purchase Agreement (ELPA) with Banc of America Public Capital Corp (BAPCC) to fund the project. No upfront capital was required to perform the project. The project is self-supporting in that the savings generated by the project will pay for the project over the 20-year term of the ELPA. OpTerra is guaranteeing the savings. The financing for the project is secured by the solar system equipment. Ongoing construction costs are funded through an escrow account established by the ELPA with BAPCC. Over 30 years, the project is expected to save the county over \$103 million in avoided energy costs.

Currently, 13 of the 14 solar sites have been completed and are generating solar through Edison. Two of those are generating sites. The third generating site has completed construction and the tie-in to SCE's grid was completed on March 18, 2018. After the tie-in, SCE has to approve the "Permit to Operate" (PTO) before generation can begin. This is the largest and final solar site in this project to start generating.

This Amendment extends the acquisition period so that draws can continue to be made to pay for the equipment. The extension is required to allow the financing of equipment despite SCE's lengthy process for accepting the equipment and issuing the PTO.

EDA is requesting the services of Jones Hall as bond counsel to evaluate the financing transaction and render a legal opinion on this tax-exempt status. The cost is estimated at \$16,000. It is highly specialized legal work that involves a high degree of expertise and experience that is not generally available among bond counsel firms. Based on the skill, time research and effort involved, the price is reasonable and is within the range of reasonable prices for such specialized legal services.

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

Impact on Residents and Businesses

This project will result in greater availability of shaded parking at county facilities. Also, the project is expected to generate 19,034,548 kWh per year, which will remove 13,125 metric tons of Carbon Dioxide (GHG equivalent) annually from the air. This will improve the air quality in Riverside County.


Additional Fiscal Information


There is no change to the repayment schedule or increase in financing costs due to this change.

ATTACHMENTS:

- Third Amendment to Equipment Lease/Purchase Agreement
- Resolution No. 2018-133
- Incumbency Certificate of the County
- Certificate Regarding Use of Proceeds of the County
- Certificate as to Arbitrage of the County
- Escrow Account Compliance Certificate and Agreement

RF:HM:PR:JP:CC MT6484


Nehini Masika, Principal Management Analyst 6/19/2018


Alex Gann 6/19/2018


Gregory T. Priapos, Director County Counsel 6/14/2018

2 RESOLUTION NO. 2018-133

3
4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
5 APPROVING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO THE
6 EQUIPMENT LEASE/PURCHASE AGREEMENT RELATING TO THE FINANCING OF
7 AND INSTALLATION OF CERTAIN SOLAR EQUIPMENT

8
9 WHEREAS, the County of Riverside (the "County") previously entered into that
10 certain Equipment Lease/Purchase Agreement dated October 30, 2014 (the "Original Lease") with
11 the Banc of America Public Capital Corp (the "Bank"), which was previously amended by the First
12 Amendment to the Equipment Lease/Purchase Agreement dated February 9, 2016 between the
13 County and the Bank (the "First Amendment") and the Second Amendment to the Equipment
14 Lease/Purchase Agreement dated August 24, 2016 (the "Second Amendment," collectively with
15 the Original Lease and the First Amendment, the "Lease"), to finance the purchase, installation and
16 construction of certain solar facilities throughout the County; and

17 WHEREAS, the County desires to relocate certain solar equipment which is
18 financed pursuant to the Lease and the Bank has agreed to allow the County to relocate such solar
19 panels pursuant to the terms and conditions set forth in the Third Amendment to Equipment
20 Lease/Purchase Agreement with the Bank dated June 27, 2018; and

21 WHEREAS, there has been presented to this meeting the proposed form of the Third
22 Amendment to Equipment Lease/Purchase Agreement;

23 NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by
24 the Board of Supervisors of the County of Riverside ("Board"), in regular session assembled on
25 June 26, 2018, in the meeting room of the Board of Supervisors located on the First Floor of the
26 County Administrative Center, 4080 Lemon Street, Riverside, California, that:

27 SECTION 1. Recitals. The recitals set forth above are true and correct and by this
28 reference incorporated herein.

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 6-14-18
SYNTHIA M. GUNZEL DATE

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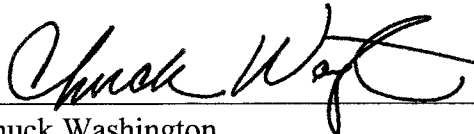
SECTION 2. Approval of Third Amendment to the Equipment Lease/Purchase Agreement. The form of Third Amendment to the Equipment Lease/Purchase Agreement presented at this meeting is hereby approved and the Chairman of the Board of Supervisors for the County of Riverside is hereby authorized and directed, for and in the name of and on behalf of the County, to execute, acknowledge and deliver the Third Amendment to the Equipment Lease/Purchase Agreement in substantially the form presented at this meeting with such changes therein as the Chairman of the Board of Supervisors for the County of Riverside executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof and as approved as to form by County Counsel.

SECTION 3. Other Acts. The Assistant County Executive Office/ECD, or his designee, is hereby authorized and directed to do any and all things, to execute and deliver any and all documents they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

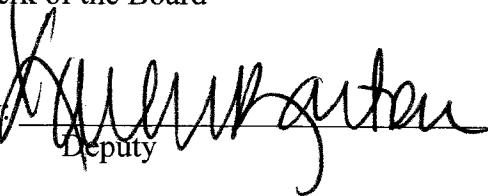
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SECTION 4. Effective Date. This Resolution shall take effect upon adoption.

PASSED and ADOPTED this June 26 , 2018.

By: 
Chuck Washington
Chairman of the Board of Supervisors

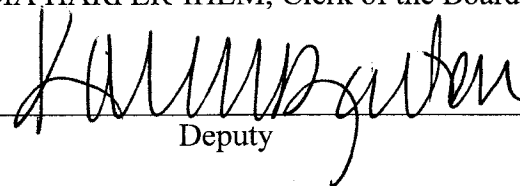
ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: 
Deputy

ROLL CALL:

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

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 the Board
By: 
Deputy

CLOSING MEMORANDUM

THIRD AMENDMENT TO EQUIPMENT LEASE/PURCHASE AGREEMENT
BETWEEN
COUNTY OF RIVERSIDE, CALIFORNIA
AND
BANC OF AMERICA PUBLIC CAPITAL CORP

EFFECTIVE DATE: JUNE 27, 2018

PARTIES AND COUNSEL:

County of Riverside, California (the "*County*")
Deputy County Counsel for County of Riverside ("*County Attorney*")
Banc of America Public Capital Corp ("*BAPCC*")
Jones Hall PLC ("*Jones Hall*")
Best, Best & Krieger ("*BB&K*")
Chapman and Cutler LLP ("*C&C*")

Three (3) copies of each of the following instruments and documents are to be delivered in connection with the Third Amendment to the Equipment Lease/Purchase Agreement between the County and BAPCC:

DOCUMENT	DOC NO.	RESPONSIBLE PARTY	SIGNATORIES
Third Amendment dated as of June 27, 2018 and Equipment Schedule thereto (collectively, the " <i>Third Amendment</i> ") to that certain Equipment Lease/Purchase Agreement dated as of October 30, 2014, as heretofore amended (as so amended, the " <i>Original Agreement</i> "), each between the County, as lessee, and BAPCC, as lessor	1	C&C	County BAPCC

DOCUMENT	DOC NO.	RESPONSIBLE PARTY	SIGNATORIES
Certified copy of Resolution No. 2018-133, adopted by the County Board of Supervisors on June 26, 2018, authorizing the execution and delivery of the Third Amendment and related documents, certified by the Clerk of the Board, as required by Section 2.01(a)(iii) of the Third Amendment	2	County	County
Incumbency Certificate of the County, as required by Section 2.01(a)(iv) of the Third Amendment	3	C&C	County
Certificate Regarding Use of Proceeds of the County dated June 27, 2018, as required by Section 2.01(a)(v) of the Third Amendment	4	Jones Hall	County
Certificate as to Arbitrage of the County dated June 27, 2018, as required by Section 2.01(a)(v) of the Third Amendment.....	5	Jones Hall	County
Escrow Account Compliance Certificate and Agreement dated June 27, 2018, as required by Section 2.01(a)(v) of the Third Amendment	6	C&C	County
Copy of completed and executed IRS Form 8038-G with respect to the Third Amendment, as required by Section 2.01(a)(vi) of the Third Amendment	7	Jones Hall	County Jones Hall
Opinion of County Attorney on behalf of the County, as required by Section 2.01(a)(i) of the Third Amendment.....	8	County Attorney	County Attorney
Special Tax Opinion of Jones Hall, as required by Section 2.01(a)(ii) of the Third Amendment.....	9	Jones Hall	Jones Hall
UCC-1 and/or UCC-3 Financing Statements and fixture filings, as required by Section 2.01(a) of the Third Amendment.....	10	C&C	N/A

NOTE: Closing instruments are to be delivered to each of the following:

<u>Hardcopy</u>	<u>CDs</u>	
(1)	(1)	County of Riverside, California
(1)	(1)	Jones Hall PLC
	(1)	BB&K
(1)	(1)	Banc of America Public Capital Corp
	(1)	Chapman and Cutler LLP
(3)	(5)	TOTAL

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

THIRD AMENDMENT TO EQUIPMENT LEASE/PURCHASE AGREEMENT

This THIRD AMENDMENT TO EQUIPMENT LEASE/PURCHASE AGREEMENT dated as of June 27, 2018 (this "*Third Amendment*") to that certain Equipment Lease/Purchase Agreement, by and between BANC OF AMERICA PUBLIC CAPITAL CORP, a Kansas corporation ("*Lessor*"), and COUNTY OF RIVERSIDE, a political subdivision existing under the laws of the State of California ("*Lessee*"), dated as of October 30, 2014 (the "*Original Agreement*"), as amended by that certain First Amendment to Equipment Lease/Purchase Agreement, by and between Lessor and Lessee, dated as of February 9, 2016 (the "*First Amendment*"), and as further amended by that certain Second Amendment to Equipment Lease/Purchase Agreement, by and between Lessor and Lessee, dated as of August 24, 2016 (the "*Second Amendment*"). The Original Agreement as amended by the First Amendment and the Second Amendment referred to herein as the "*Original Amended Agreement*".

WITNESSETH:

WHEREAS, Lessor and Lessee entered into the Original Agreement with respect to the financing of the acquisition and installation of certain Equipment for Lessee, all as therein described;

WHEREAS, Lessor and Lessee entered into the First Amendment to, among other things, extend the Acquisition Period, the Rental Payment Commencement Date, and the Payment Schedule;

WHEREAS, Lessor and Lessee entered into the Second Amendment to provide for, among other things, the relocation of certain Equipment and the execution and delivery of the Facility Lease, Site Lease, and Assignment Agreement; and

WHEREAS, the parties desire to further amend and supplement the Original Amended Agreement, as provided in this Third Amendment.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises contained in the Original Amended Agreement, and hereinafter, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Defined Terms. For purposes of this Third Amendment, (a) the term "*Agreement*" shall mean the Original Amended Agreement as further amended by this Third Amendment; and (b) the term "*Effective Date*" shall mean the date on which all conditions precedent set forth in Section 2.01 of this Third Amendment are satisfied, and this Third Amendment becomes effective, which is June 27, 2018. Capitalized terms used, but not defined, in this Third Amendment shall have the meanings ascribed to such terms in the Original Amended Agreement; *provided*, that in the event of a conflict or difference in meanings for of any capitalized term in the Original Agreement, the First Amendment, the Second Amendment or

this Third Amendment, the meaning ascribed to such term in this Third Amendment will control and take precedence.

Section 1.02. Representations, Covenants and Warranties of Lessee. (a) Lessee hereby represents, covenants and warrants for the benefit of Lessor that upon execution of this Third Amendment all of its representations, covenants and warranties set forth in Section 2.01 of the Original Amended Agreement, as amended by Section 1.03 hereof, are true and correct as though made on the Effective Date. Lessee reasonably expects as of the Effective Date that the acquisition and installation of all of the Equipment on the Lessee-owned sites and facilities as described above will be completed and accepted, and the Equipment will be substantially available for Lessee's beneficial use and enjoyment for purposes of the Agreement, no later than August 15, 2018. Lessee further represents and warrants on the Effective Date for the benefit of Lessor that no Material Adverse Change has occurred since October 30, 2014 (*i.e.*, the date of the Original Agreement). Lessor and Lessee have agreed, and have determined on the Effective Date, that Lessee's Share of the rentals (as provided in *Exhibit B* to the Original Amended Agreement) are not in excess of the fair rental value of the Accepted Equipment as of the Effective Date for purposes of Section 4.03 of the Original Agreement.

(b) Lessee further represents, covenants and warrants for the benefit of Lessor as of the Effective Date as follows:

(i) The Accepted Equipment has been delivered to Lessee and installed at the related sites and facilities as described in the Equipment Schedule, operates for its intended purpose as a separate and independent functional unit, has been acquired and installed by the Vendor, is operating in a manner consistent with the manufacturer's intended use, is substantially available for Lessee's beneficial use and enjoyment and has been inspected and accepted by Lessee for all purposes of the Agreement. The Acceptance Date for all of the Accepted Equipment occurred prior to the Effective Date.

(ii) The Allocated Accepted Equipment Cost for the Accepted Equipment determined as of the Effective Date is \$52,020,962. The Accepted Equipment Percentage as of the Effective Date is 96%.

(iii) The Allocated Accepted Equipment Costs for each site and facility on which Accepted Equipment is located consists of all Equipment Costs, including Mobilization Costs, allocable in the reasonable judgment of Lessee to the Accepted Equipment.

(iv) The annual fair rental value of the Accepted Equipment as of the Effective Date, in each year during the remaining term of the Agreement, is at least equal to Lessee's Share (based on the Accepted Equipment Percentage as described in this Third Amendment) of the maximum annual Rental Payments, as determined by Lessee on the basis of commercially reasonable evidence of the annual fair rental value of the Accepted Equipment as of the Effective Date.

(v) Since the Funding Date, the Energy Services Contract, effective as of October 28, 2014, between OpTerra Energy Services and the Lessee has not been amended, modified, rescinded or terminated, and there have been no change orders thereunder that have not been disclosed in writing to Lessor.

Section 1.03. Amendments to the Original Amended Agreement. The Original Amended Agreement is hereby amended as follows:

(a) The defined term "*Accepted Equipment Percentage*" in Section 1.01 of the Original Amended Agreement is hereby amended and restated in its entirety as follows:

"*Accepted Equipment Percentage*" means the percentage determined as of the effective date of the Third Amendment and thereafter from time to time as provided in the Facility Lease. The Accepted Equipment Percentage (i) as of the effective date of the Third Amendment equals 96%; (ii) shall increase on each Removal Date as provided in the Facility Lease and Section 2.03 of the Third Amendment; and (iii) from and after the Facility Lease Expiry Date, shall be 100.00%."

(b) The defined term "*Acquisition Period*" in Section 1.01 of the Original Amended Agreement is hereby amended and restated in its entirety as follows:

"*Acquisition Period*" means the period ending five (5) business days prior to August 15, 2018.

(c) Section 1.01 of the Original Amended Agreement is amended to include in alphabetical order the following new definition:

"*Real Property*" means real estate where the Equipment is and/or will be located.

(d) Section 1.01 of the Original Amended Agreement is amended to include in alphabetical order the following new definition:

"*Third Amendment*" means that certain Third Amendment to Equipment Lease/Purchase Agreement dated as of June 27, 2018 between Lessee and Lessor.

(e) Section 2.01(k) of the Original Amended Agreement is hereby amended and restated in its entirety as follows:

(k) (i) Lessee is the fee owner of the Real Property and has good and marketable title thereto. Lessee has the right to install, operate, maintain and remove Equipment on, to and from the Real Property, and the right, upon Lessor's request, to physically detach and remove the Equipment from the Real Property and return the same to Lessor. Except for the security interest of Lessor as provided herein, there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to the Equipment, and the Lessee shall never create or cause to exist or allow any such mortgage, pledge, lien, security interest, charge or other

encumbrance of any nature whatsoever on or with respect to the Equipment. There exists and there shall exist no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to the Real Property that will adversely affect the Lessor's first priority security interest in any Equipment or Lessor's ability to exercise its remedies under this Agreement (including, but not limited to repossession of the Equipment). For the purposes of this Section 2.01(k), any reference to the Equipment and the Real Property shall mean the following (A) all of the sites, facilities and real estate described in *Exhibit A-1* and (B) such other Lessee-owned sites and facilities to be determined by Lessee, and acceptable to Lessor as Equipment under this Agreement, at and on which Equipment is to be installed pursuant to this Agreement and the Vendor Agreement, as provided in Section 4.10 hereof. Lessee covenants and agrees that throughout the Lease Term and prior to the payment of the last scheduled Rental Payment and the payment of all other amounts due hereunder, Lessee shall not transfer title to or control over, or encumber the Real Property to another entity or devote any portion of the Real Property to another entity (other than the encumbrances described in *Exhibit A-1* with respect to Encumbered Sites No. 6, 13 and 16).

(ii) Lessee reasonably expects as of the effective date of the Third Amendment that the acquisition and installation of all of the Equipment on the Real Property as described above and as set forth on *Exhibit A-1* (as such Real Property may be amended pursuant to Section 4.10 hereof) will be completed and accepted, and 100% of the Equipment will be substantially available for Lessee's beneficial use and enjoyment for purposes of the Agreement, no later than August 15, 2018. Lessee hereby further represents and warrants on the effective date of the Third Amendment for the benefit of Lessor that no Material Adverse Change has occurred since October 30, 2014 (i.e., the dated date of the Original Agreement). Lessor and Lessee have agreed, and have determined on the effective date of the Third Amendment, that Lessee's Share of the rentals (as provided in *Exhibit B* to the Original Amended Agreement) are not in excess of the fair rental value of the Accepted Equipment as of the effective date of the Third Amendment for purposes of Section 4.03 of this Agreement.

(iii) In the event any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, preference, priority or other security or preferential arrangement of any kind or nature whatsoever, reverter, restriction, asserted encumbrance, claim, dispute or other issue exists or arises with respect to the Lessee's legal title to or valid and marketable, beneficial use and enjoyment of the Real Property or impairs or adversely impacts Lessor's right, title or interest in the Equipment or any of Lessor's rights or remedies under this Agreement with respect to the Equipment, (each of the foregoing referred to as a "*Real Property Issue*"), Lessee will, to the extent it may legally agree to do so, take all steps necessary to promptly quiet, resolve and/or eliminate such Real Property Issue to the satisfaction of Lessor and ensure that Lessee and Lessor have adequate access to and use of (including beneficial use and enjoyment of) the Real Property for all purposes of the Equipment contemplated herein and Lessee shall, to the extent it may legally agree to do so, ensure that its fee interest in the Real Property and Lessor's right, title or interest in the Equipment and rights or remedies under this Agreement with respect to the

Equipment remain free and clear of Real Property Issues. Except for the encumbrances on Encumbered Sites No. 2, 4, 5, 6, 13 and 16 as described in *Exhibit A-1*, Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the Real Property without the prior written consent of Lessor. At Lessor's request, Lessee shall furnish Lessor and its assigns, at Lessee's expense, with a waiver of interest in the Equipment in a form acceptable to Lessor or its assigns in its discretion from any mortgagee, landlord or any other party having an interest in the Real Property.

(iv) Upon an Event of Default, Lessee shall at Lessor's direction enter onto the Real Property, including any encumbered Real Property, and physically detach and remove the Equipment and return the same to Lessor pursuant to Section 12.02(b) hereof.

(f) A new Section 2.01(m) is added to the Original Amended Agreement as follows:

"(m) The Accepted Equipment has been delivered to Lessee and installed at the related sites and facilities as described in the Equipment Schedule, operates for its intended purpose as a separate and independent functional unit, has been acquired and installed by the Vendor, is operating in a manner consistent with the manufacturer's intended use, is substantially available for Lessee's beneficial use and enjoyment and has been inspected and accepted by Lessee for all purposes of the Agreement."

(g) A new Section 2.01(n) is added to the Original Amended Agreement as follows:

"(n) The Allocated Accepted Equipment Cost for the Accepted Equipment determined as of the effective date of the Third Amendment is \$52,020,962. The Accepted Equipment Percentage as of the effective date of the Third Amendment is 96%."

(h) A new Section 2.01(o) is added to the Original Amended Agreement as follows:

"(o) The annual fair rental value of the Accepted Equipment as of the effective date of the Third Amendment, in each year during the remaining term of the Agreement, is at least equal to Lessee's Share (based on the Accepted Equipment Percentage as described in this Agreement) of the maximum annual Rental Payments, as determined by Lessee on the basis of commercially reasonable evidence of the annual fair rental value of the Accepted Equipment as of the effective date of the Third Amendment."

(i) A new Section 4.10 is added to the Original Amended Agreement as follows:

Section 4.10. Request to Relocate Equipment. From time to time Lessee may relocate the Equipment from the locations described on *Exhibit A* and *Exhibit A-1* hereto (the "*Former Locations*") to such other unencumbered Real Property owned free and clear by Lessee (the "*New Location*" and such Equipment referred to as "*Relocated Equipment*"), *provided*, that the Lessee must satisfy all of the following requirements which are hereby declared to be conditions precedent to such relocation:

(a) Lessee shall provide a written request to Lessor in form of *Exhibit C-1* attached hereto describing in reasonable detail the proposed relocation and reasons therefor.

(b) Lessee shall have certified and reaffirmed to the Lessor that the representations, warranties and covenants of the Lessee contained in this Agreement are true and correct and no event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default shall have occurred or be continuing of the date of such relocation and no Material Adverse Change has occurred since the the effective date of the Third Amendment. Lessee shall have represented, warranted and covenanted to the Lessor that in connection with the Relocated Equipment, the relocation of the Equipment and other activities pursuant to this Section 4.10 have not and will not result in any loss of, material change in or additions to the Equipment under this Agreement and has not and will not result in any additional costs being added to or incurred under this Agreement or any Vendor Agreement.

(c) Lessee shall have provided to Lessor an amendment to this Agreement in form and substance satisfactory to Lessor which adds to *Exhibit A* and *Exhibit A-1* hereto to provide a description of such New Location and the related Real Property and delete therefrom the description of such Former Location.

(d) Lessee shall have certified in writing to the Lessor that following such relocation all of the Equipment (including Relocated Equipment) (i) has an insured and an estimated value at least equal to the aggregate principal amount of outstanding Rental Payments, (ii) serves the public purposes of the Lessee and constitutes property which the Lessee is permitted to lease under the laws of the State of California, (iii) has been determined to be essential to the proper, efficient and economic operation of the Lessee and to serve an essential governmental function of the Lessee, (iv) following the relocation, the total Rental Payments under this Agreement will not be in excess of the total fair rental value of the Equipment after the relocation and (v) following the relocation, the annual Rental Payments under this Agreement will not be in excess of the annual fair rental value of the Equipment after the relocation. The fair market value of the Equipment which remains subject to this Agreement after the relocation must be at least equal to the aggregate outstanding principal amount of the Rental Payments thereafter coming due and payable under this Agreement and each of the foregoing certifications must be true.

(e) Lessee shall have obtained the prior written consent of the Lessor to such relocation of Equipment.

(f) Lessee shall have provided to Lessor waiver or waivers of interest in the Equipment, satisfactory to Lessor, from any mortgagee or any other party having an interest in the New Locations and Real Property on which the Relocated Equipment will be located and/or landlord of the real estate on which the Relocated Equipment will be located.

(g) To the extent requested by Lessor, Lessee shall have delivered to Lessor at Lessee's expense: (i) an opinion of special tax counsel in form and substance satisfactory to the Lessor and addressed to the Lessor to the effect that the relocation of the Equipment will not adversely affect the tax-exempt status of the interest component of Rental Payments under this Agreement for federal income tax purposes; and (ii) evidence of a completed, signed and filed Form 8038-G with respect to such relocation.

(h) With respect to the New Locations and Real Property where the Relocated Equipment is and will be located following the relocation, all of the representations, warranties and covenants set forth in Section 2.01(k) of this Agreement shall be true and correct. Lessee is currently maintaining the insurance coverage required by Section 7.02 of this Agreement (including on the Relocated Equipment).

(i) The Lessee shall not be entitled to any reduction, diminution, extension or other modification of the Rental Payments whatsoever as a result of any such relocation of the Equipment.

(j) The Equipment Schedule attached as *Exhibit A* to the Original Amended Agreement is deleted in its entirety and replaced with the Equipment Schedule attached hereto as *Exhibit A*.

(k) The Encumbered Sites attached as *Exhibit A-1* to the Original Amended Agreement is deleted in its entirety and replaced with the Encumbered Sites attached hereto as *Exhibit A-1*.

ARTICLE II

Section 2.01. Conditions Precedent to the Effectiveness of this Third Amendment; Additional Covenants of the Lessee. (a) As a prerequisite to the effectiveness of this Third Amendment, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, the following on the Effective Date: (i) an opinion of counsel to Lessee, in form and substance acceptable to Lessor, to the effect that the Original Amended Agreement as amended and supplemented by this Third Amendment is legal, valid, binding and enforceable against Lessee in accordance with its terms; (ii) an opinion of special tax counsel addressed to Lessor to the effect that execution and delivery of this Third Amendment and the extension of the Acquisition Period as contemplated herein will not adversely affect the tax-exempt status of the interest component of Rental Payments under the Agreement for federal income tax purposes; (iii) evidence that the Lessee is authorized to enter into this Third Amendment; (iv) an incumbency certificate of the Lessee with respect to the officers thereof authorized to execute this Amendment; (v) a bring-down tax certificate of Lessee; and (vi) the completed Form 8038-G prepared by special tax counsel as paid preparer and signed by the Lessee to be filed with the IRS by special tax counsel. Also as a prerequisite to the effectiveness of this Third Amendment, Lessor shall prepare and file new or amended UCC-1 and/or UCC-3 financing statements and fixture filings which Lessor deems necessary or appropriate to perfect Lessor's security interest in the Equipment and fully address the Equipment and locations described in *Exhibit A* and *Exhibit A-1* attached hereto.

(b) Lessee shall cooperate with Lessor to comply with any IRS reporting requirement that may apply under the Code to maintain federal tax-exemption of the interest component of

Rental Payments under the revised Payment Schedule attached as *Exhibit B* to the Original Amended Agreement.

(c) Lessee shall provide promptly to Lessor upon its request from time to time information (in reasonable detail) regarding acquisition and installation of the Equipment on the various sites, including (without limitation) the following: (i) Schedule of Values Report; (ii) Projected Draw Schedule by site; (iii) project completion by site (e.g., percent of project completion, list of measures to be implemented, items already completed and updated timeline for completion); (iv) list of punch list items for acceptance and anticipated completion by site; (v) verification of Lessee acceptance by site; (vi) OpTerra's commentary (in its capacity as the Vendor) on any construction delays and resolution plans and anticipated permit-to-operate date; and (vii) timely notice of any change orders. Lessee shall provide the foregoing information to Lessor on a monthly basis or more frequently on an as occurred basis for such information as described in clause (iii) for completion of the project on a site and clause (v) for Lessee acceptance of the project on a site.

(d) Lessee shall provide, and cause the Vendor to provide, assistance and access to the sites to Lessor and its in-house engineer to conduct site visits at all reasonable times during regular business hours.

(e) Lessee shall provide promptly to Lessor upon its request information relating to the Real Property on which Equipment is to be installed to enable Lessor to perfect its security interest in the Equipment pursuant to Section 6.02 of the Original Amended Agreement to the extent that the sites on which the Equipment is to be installed have changed since the date of execution and delivery of the Original Amended Agreement.

(f) Lessee shall not acquire or install any of the Equipment on any of the Leased Property unless Lessee delivers to Lessor the Opinion of Counsel required by Section 4.02(b) of the Facility Lease.

Section 2.02. Abatement prior to Facility Lease Expiry Date. Notwithstanding anything in the Agreement to the contrary, prior to the Facility Lease Expiry Date the term "*Equipment*" as used in Sections 3.03, 4.03, 4.04, 4.09, and 4.10 of the Agreement shall mean Accepted Equipment.

Section 2.03. Payment of Rental Payments prior to Facility Lease Expiry. Notwithstanding anything in the Agreement to the contrary (including, without limitation, Sections 3.02, 3.03, 4.01, 4.02, 4.03, 4.04, 4.06, 4.08, 4.09 and 4.10 thereof), prior to the Facility Lease Expiry Date (a) each reference to Lessee's obligation to pay Rental Payments or the amount of such Rental Payments shall mean Lessee's obligation to pay Lessee's Share of Rental Payments in an amount calculated based on Lessee's Share of Rental Payments; (b) Lessee's obligation to pay Rental Payments, other than from Lessee's Share of Rental Payments, shall be paid by Lessee solely from amounts paid by the County that constitute the County's Share of Base Rental Payments as provided in the Facility Lease; (c) the sum of the County's Share of Base Rental Payments under the Facility Lease *plus* Lessee's Share of Rental Payments under the Agreement shall equal the total Rental Payments due on each Rental Payment Date as provided

in the Payment Schedule; and (d) all of the Mobilization Costs will be allocated among the Accepted Equipment as Lessee shall determine in the exercise of its reasonable judgment. On and prior to the Facility Lease Expiry Date, the Accepted Equipment Percentage shall increase on each Removal Date as provided in Section 5.01(f) of the Facility Lease. From and after the Facility Lease Expiry Date, Lessee shall be obligated to pay Rental Payments in full and as scheduled as provided in the Payment Schedule, subject to the terms of the Agreement (without regard to this Section 2.03).

Section 2.04. Original Amended Agreement Otherwise to Remain in Full Force and Effect. Except as otherwise expressly provided in or amended by this Third Amendment, the Original Amended Agreement, shall remain in full force and effect. This Third Amendment shall become effective on the Effective Date. From and after the Effective Date, all references made to the Original Agreement or the Original Amended Agreement in any instrument or document shall, without more, be deemed to refer to the Original Amended Agreement, as amended by this Third Amendment.

Section 2.05. Severability. In the event any provision of this Third Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 2.06. Execution in Counterparts. This Third Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 2.07. Applicable Law. This Third Amendment shall be governed by and construed in accordance with the laws of the State of California.

Section 2.08. Captions. The captions or headings in this Third Amendment are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Third Amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Third Amendment to be executed in their names by their duly authorized representatives as of the date first above written.

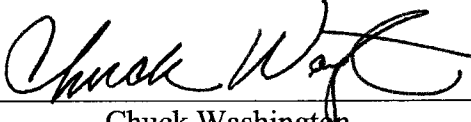
LESSOR:

BANC OF AMERICA PUBLIC CAPITAL CORP

By: _____
Terri J. Preston
Authorized Agent

LESSEE:

COUNTY OF RIVERSIDE, CALIFORNIA

By: 
Chuck Washington
Chairman of the Board of Supervisors

ATTEST:

KECIA HARPER-JHEM, Clerk

By: 
DEPUTY

FORM APPROVED COUNTY COUNSEL

BY:  6-14-18
SYNTHIA M. GUNZEL DATE

EXHIBIT A

EQUIPMENT SCHEDULE

Location of Equipment: The Energy Conservation Measures to be implemented and Solar Generating Energy Equipment to be acquired and installed on County-owned facilities pursuant to that certain Energy Services Contract, effective as of October 28, 2014, as amended, between OpTerra Energy Services and the County of Riverside, California at the following locations in the County of Riverside, California:

SITE NUMBER	FACILITY	ADDRESS	Solar System Size (KW)	APN
01	Temecula County Administration Center	41002 County Center Drive Temecula, CA 92591	198.45	910-110-033-2
02	Perris County Coroner	800 S. Redlands Avenue Perris, CA 92570	272.16	310-160-058
03	Perris Sheriff/CHA Campus	308 San Jacinto Avenue CA 92570	718.2	311-190-008 311-190-009
04	Palm Desert Sheriff Campus	73700 Gerald Ford Drive Palm Desert, CA 92211	687.96	694-310-004
05	Western Riverside Animal Shelter	6851 Van Buren Boulevard Riverside, CA 92509	504.63	163-300-002
06	San Jacinto Valley Animal Campus	581 South Grand Avenue San Jacinto, CA 92582	1191.8	435-040-005
07	Ben Clark Training Center BCT	16791 Davis Avenue Riverside, CA 92518	1190.4	294-110-005 294-110-003
08	Ben Clark Training Center BCT #2 (Regional Medical Center Replacement Site)	16791 Davis Avenue Riverside, CA 92518	1145.3	294-110-005 294-110-003

09	Ben Clark Training Center BCT Array 2B (TLMA Transportation Center Replacement Site)	16791 Davis Avenue Riverside, CA 92518	691.2	294-110-005 294-110-003
10	Ben Clark Training Center System BCT NEM-A (Arrays 4, 5)	16930 Bundy Avenue Riverside, CA 92518	268.8	294-110-005 294-130-008
11	Ben Clark Training Center System BCT NEM-A (Arrays 1,2,3)	16930 Bundy Avenue Riverside, CA 92518	293.7	294-110-005 294-130-008
12	Crestmore Heights - (Replacement site for BMY)	1500 Castellano Drive, Jurupa Valley, CA 92509	3992	Crestmore Heights APN 175-170-024 175-160-024 175-160-008 175-160-002
13	Palm Springs County Administrative Center (Replacement Site for BMY)	3255 E. Tahquitz Canyon Way Palm Springs, CA 92262	276.48	502-210-017
14	Desert Hot Springs Mental Health (Replacement Site for BMY)	14320 Palm Drive Desert Hot Springs, CA 92240	144	656-040-060
15	Rubidoux Health (Replacement Site for BMY)	5256 Mission Boulevard Jurupa Valley, CA 92509	184.32	181-120-016
16	Cabazon Sheriff (Replacement Site for BMY)	50290 Main Street Cabazon, CA 92230	115.2	526-032-004 526-032-005
17	Hemet Sheriff (Replacement Site for Rubidoux Library and BMY)	43950 Acacia Street Hemet, CA 92544	190.08	549-191-012 549-191-013
Total			12064.68	

Equipment Description (Scope of Work): The Equipment and scope of work will include installation of solar parking lot shade structure systems at sixteen (16) of the seventeen (17) sites referenced above, consisting of photovoltaic power generating systems on parking lot canopy shade structures. All systems will have a combined nominal capacity of 12064.68 kWp and will include inverters, under canopy lighting and other equipment.

In addition to the solar parking lot shade structure systems, two sites will have ground-mounted solar. The San Jacinto Valley Animal Campus (site no. 6) will include a ground mounted solar system consisting of photovoltaic power generating system (total nominal capacity of 1191.8 kWp) on vacant lot adjacent to San Jacinto Valley Animal Campus. The Crestmore Heights site will also have a ground mounted solar system consisting of photovoltaic power generating system (total nominal capacity of 3992 kWp) on vacant lot adjacent to Each such ground mounted system to include inverters, fencing and other equipment. The total combined ground mount nominal capacity is 5183.8 kWp).

Total nominal capacity of all photovoltaic power generating systems installed is 12064.68 kWp.

The Equipment and scope of work is more fully described in the Vendor Agreement.

EXHIBIT A-1

ENCUMBERED SITES

Site No.	Project	Site Address	Solar System Size (kW)	Encumbrances on Sites/Real Property, Lien Status of Equipment
1	Temecula County Administration Center	41002 County Center Drive, Temecula, CA 92591	198.45	Unencumbered; Lessor has first lien
2	Perris County Coroner	800 S. Redlands Avenue, Perris, CA 92570	272.16	Encumbered Property 1990 Monterey Avenue CORAL (expires 2020) Lessor has first lien
3	Perris Sheriff/CHA Campus	308 San Jacinto Avenue, Perris, CA 92570	718.2	Unencumbered; Lessor has first lien
4	Palm Desert Sheriff Campus	73700 Gerald Ford Drive, Palm Desert, CA 92211	687.96	Encumbered Property 2016 IFA Lease Revenue Bonds (expires 2046) Lessor has first lien
5	Western Riverside Animal Shelter	6851 Van Buren Boulevard, Riverside, CA 92509	504.63	Encumbered Property 2013 CORAL Lease Revenue Bonds (expires 6/05/2018 to be released 6/5/18) Lessor has first lien
6	San Jacinto Valley Animal Campus	581 South Grand Avenue, San Jacinto, CA 92582	1191.8	Encumbered by Public Financing Authority Lease Revenue Bonds Series 2015; regardless Lessor should have a first lien because

Site No.	Project	Site Address	Solar System Size (kW)	Encumbrances on Sites/Real Property, Lien Status of Equipment
				UCC was filed in 2014
7	Ben Clark Training Center BCT	16791 Davis Avenue, Riverside, CA 92518	1190.4	Unencumbered; Lessor has first lien
8	Ben Clark Training Center BCT #2 (Medical Center Replacement Site)	16791 Davis Avenue, Riverside, CA 92518	1145.3	Unencumbered; Lessor has first lien
9	Ben Clark Training Center BCT Array 2B (TLMA Replacement Site)	16791 Davis Avenue, Riverside, CA 92518	691.2	Unencumbered; Lessor has first lien
10	Ben Clark Training Center System BCT NEM-A (Arrays 4, 5)	16930 Bundy Avenue Riverside, CA 92518	268.8	Unencumbered; Lessor has first lien
11	Ben Clark Training Center System BCT NEM-A (Arrays 1,2,3)	16930 Bundy Avenue Riverside, CA 92518	293.7	Unencumbered; Lessor has first lien

Site No.	Project	Site Address	Solar System Size (KW)	Encumbrances on Sites/Real Property, Lien Status of Equipment
12	Crestmore Heights - (Replacement Site for BMY)	1500 Castellano Drive, Jurupa Valley, CA 92509	3992	Unencumbered; Lessor has first lien
13	Palm Springs County Administrative Center (Replacement Site for BMY)	3255 E. Tahquitz Canyon Way Palm Springs, CA 92262	276.48	Encumbered by Public Financing Authority Lease Revenue Bonds Series 2015
14	Desert Hot Springs Mental Health (Replacement Site for BMY)	14320 Palm Drive Desert Hot Springs, CA 92240	144	Unencumbered; Lessor has first lien
15	Rubidoux Health (Replacement Site for BMY)	5256 Mission Boulevard Jurupa Valley, CA 92509	184.32	Unencumbered; Lessor has first lien
16	Cabazon Sheriff (Replacement Site for BMY)	50290 Main Street Cabazon, CA 92230	115.2	Encumbered (Leased Property under Site Lease dated August 24, 2016 and Facility dated the same, each between the County and Riverside County Infrastructure Financing Authority. Assigned to BAPCC pursuant to Assignment Agreement dated as of August 24, 2016)

Site No.	Project	Site Address	Solar System Size (kW)	Encumbrances or Sites/Real Property, Lien Status of Equipment
17	Hemet Sheriff (Replacement Site for Rubidoux Library and BMY)	43950 Acacia Street Hemet, CA 92544	190.08	Unencumbered; Lessor has first lien
Total			12,064.68	

EXHIBIT C-1

FORM OF CERTIFICATE REQUESTING RELOCATION OF EQUIPMENT

Banc of America Public Capital Corp
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement
 Dated as of October 30, 2014, as amended
 between
 Banc of America Public Capital Corp, as lessor,
 and
 County of Riverside, California, as lessee

Ladies and Gentlemen:

In accordance with the Equipment Lease/Purchase Agreement dated as of October 30, 2014 (as amended, the "Agreement") and Section 4.10 of the Agreement relating to relocation of Equipment, the undersigned County of Riverside, California (the "Lessee") hereby certifies and represents to the Lessor as follows:

1. Lessee hereby reaffirms that the representations, warranties and covenants of the Lessee contained in the Agreement are true and correct as of the date hereof. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default shall have occurred or be continuing of the date of such relocation and no Material Adverse Change has occurred since the effective date of the Third Amendment. Lessee hereby represents, warrants and covenants to the Lessor that in connection with the Relocated Equipment, the relocation of the Equipment and other activities pursuant to Section 4.10 of the Agreement have not and will not result in any loss of, material change in or additions to the Equipment under the Agreement and has not and will not result in any additional costs being added to or incurred under the Agreement or any Vendor Agreement.

2. Lessee hereby provides to Lessor an amendment to the Agreement which adds to *Exhibit A* and *Exhibit A-1* hereto a description of such New Location for the Relocated Equipment and the Real Property and deletes therefrom the description of such Former Location.

3. Lessee hereby certifies to the Lessor that following such relocation all of the Equipment (including Relocated Equipment) (i) has an insured and an estimated value at least equal to the aggregate principal amount of outstanding Rental Payments, (ii) serves the public purposes of the Lessee and constitutes property which the Lessee is permitted to lease under the laws of the State of California, (iii) has been determined to be essential to the proper, efficient and economic operation of the Lessee and to serve an essential governmental function of the Lessee, (iv) following the relocation, the total Rental Payments under the Agreement will not be in excess of the total fair rental value of the Equipment after the relocation and (v) following the relocation, the annual Rental Payments under the Agreement will not be in excess of the annual fair rental value of the Equipment after the relocation. The fair market value of the Equipment which remains subject to the Agreement after the relocation is at least equal to the aggregate outstanding principal amount of the Rental Payments thereafter coming due and payable under the Agreement and each of the foregoing certifications must be true. In making the determinations described in this paragraph, consideration has been given to the value of the Equipment, the estimated replacement costs of the Equipment following the relocation, the costs of financing under the Agreement, other obligations of the Lessee under the Agreement, the uses and purposes which may be served by the Equipment after relocation and the benefits therefrom that will accrue to the Lessee and the general public.

4. Lessee has provided to Lessor waiver or waivers of interest in the Equipment from each mortgagee and each other party having an interest in the New Locations and Real Property on which the Relocated Equipment will be located and/or landlord of the real estate on which the Relocated Equipment will be located.

5. At Lessor's request, Lessee hereby provides to Lessor (i) an opinion of special tax counsel addressed to Lessor to the effect that the relocation of the Equipment will not adversely affect the tax-exempt status of the interest component of Rental Payments under the Agreement for federal income tax purposes; and (ii) evidence of a completed, signed and filed Form 8038-G with respect to the reissuance, if any, triggered by such relocation.

6. With respect to the New Locations and Real Property where the Relocated Equipment is and will be located following the relocation, all of the representations, warranties and covenants set forth in Section 2.01(k) of the Agreement are true and correct. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement (including on the Relocated Equipment).

7. The Lessee hereby requests the prior written consent of the Lessor to the relocation of the following Equipment to the following New Locations:

Equipment	Former Location	New Location

8. The Lessee hereby represents, warrants and covenants that such relocation the Equipment will not interfere with the Lessee's beneficial use of any of the Equipment or result in any abatement of Rental Payments.


9. The relocation of the Equipment does not and will not cause the Lessee to violate any of its covenants, representations and warranties made in the Agreement.

10. The Lessee is not entitled to any reduction, diminution, extension or other modification of the Rental Payments whatsoever as a result of such relocation of the Equipment.

Capitalized terms used herein and not defined herein have the respective meanings set forth in the Agreement.

Date: June 26, 2018

COUNTY OF RIVERSIDE, CALIFORNIA

By: 
Name: CHUCK WASHINGTON
Title: CHAIRMAN, BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY:  6-14-18
SYNTHIA M. GUNZEL DATE

Attest:
~~By: _____
Title _____~~

ACCEPTED AND AGREED:

BANC OF AMERICA PUBLIC CAPITAL CORP

ATTEST:
KECIA HARPER-IHEM, Clerk
By: 
DEPUTY



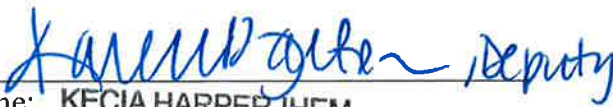
By _____
Title _____

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting County Clerk of the Board of Supervisors of County of Riverside, California ("*Lessee*") certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the "*Officials*") in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver (i) that certain Third Amendment to Equipment Lease/Purchase Agreement, dated as of June 27, 2018, by and between Banc of America Public Capital Corp, as lessor, (the "*Lessor*") and the Lessee, amending that certain Equipment Lease/Purchase Agreement, dated October 30, 2014, between the Lessor and the Lessee, as previously amended or otherwise modified, (ii) that certain Escrow Account Compliance Certificate and Agreement, dated June 27, 2018, (iii) that certain Certificate Regarding Use of Proceeds, dated June 27, 2018, (iv) the Certificate as to Arbitrage, dated June 27, 2018 and (v) all other documents related thereto and delivered in connection therewith (collectively, the "*Agreements*"), and the Agreements are each the binding and authorized agreements of Lessee, enforceable in all respects in accordance with their respective terms.

NAME OF OFFICIAL	TITLE	SIGNATURE
Robert Field	Assistant County Executive Officer/Economic and Community Development	
Chuck Washington	Chairman of the Board of Supervisors	
Dated: <u>June 27, 2018</u>	By: 	
	Name: <u>KECIA HARPER-JHEM</u>	
	Title: <u>CLERK OF THE BOARD</u>	

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

JUN 26 2018 3:20

\$54,548,300.00
COUNTY OF RIVERSIDE
2014 SOLAR FINANCING PROJECT

CERTIFICATE REGARDING USE OF PROCEEDS

The undersigned is the Assistant County Executive Officer of the County of Riverside (the "County"), is authorized to execute this certificate on behalf of the County, is knowledgeable with respect to the matters set forth herein, and hereby states and certifies as follows:

(1) **Delivery of Lease.** The County is, on the date hereof, entering into a Third Amendment to Equipment Lease/Purchase Agreement, dated as of June 27, 2018, by and between Banc of America Public Capital Corp., as lessor, (the "Lessor") and the County, as lessee (the "Third Amendment"), amending that certain Equipment Lease/Purchase Agreement (the "Original Agreement"), dated October 30, 2014, between the Lessor, as lessor, and the County, as lessee, as amended by that certain First Amendment to Equipment Lease/Purchase Agreement (the "First Amendment"), by and between the Lessor, as lessor, and the County, as lessee, dated as of February 9, 2016, and as further amended by that certain Second Amendment to Equipment Lease/Purchase Agreement (the "Second Amendment"), by and between the Lessor, as lessor, and the County, as lessee, dated as of August 24, 2016 (the Original Agreement, as amended by the First Amendment and the Second Amendment, the "Prior Agreement") under the terms of which the Lessor is leasing certain equipment to the County and, in consideration thereof, the County has agreed to make annual lease payments having aggregate principal components of \$55,528,455 as the rental for such equipment (the "Lease Payments") as of June 27, 2018. Collectively, the Prior Agreement as modified by the Third Amendment is referred to as the "Lease."

(2) **Escrow Account Deposit.** A portion of the proceeds of the Prior Agreement were deposited into an escrow (the "Escrow Account") which Escrow Account was to be used to pay costs of the Project (described below). On the date hereof, \$2,495,395.18 remains on deposit in the Escrow Account and will be used to pay costs of the Project.

(A) On this date, the County is executing a Certificate as to Arbitrage (the "Arbitrage Certificate") with respect to the Third Amendment. As set forth in the Arbitrage Certificate, the County will not allow the yield on the Escrow Account to exceed the yield on the Lease calculated to this date by more than 1/8% either by yield restricting the investments or, to the extent necessary, by making any required payments to the United States Treasury to assure such yield limitation. Further, the County will also make any rebate payments to the extent required under section 148(f) of the Code.

(B) As set forth Escrow Account Compliance Certificate and Agreement (the "Escrow Compliance Certificate") the County has not and will not permit proceeds of the Bonds remaining in the Escrow Account after October 30, 2017, to be invested in a manner that is considered to create a federal guarantee under Section 149 of the Code.

(3) **Description of Project.** The proceeds of the Prior Agreement remaining on deposit in the Escrow Account will be used to finance a portion of the equipment and capital improvements

(collectively, the "Project") more particularly described in Part I of Exhibit A hereto attached and by this reference herein incorporated. For the purposes of measuring private business use under Treasury Regulation §1.141-3, the Project consists of only those costs allocated to Lease proceeds.

(4) Private Uses of Project. Part II of Exhibit A describes:

(A) each use (other than use as a member of the general public) to be made of the Project by any private person or entity (that is, any entity other than (i) the County, or (ii) other State or local governmental entities), and

(B) all payments (if any) directly or indirectly in respect of any use made or to be made of the Project by any private person or entity.

(5) Expenditure of Escrow Account. Part III of Exhibit A contains a schedule of reasonably expected expenditures of proceeds of the Prior Agreement from the Escrow Account for remaining costs of the Project (the "Draw Down Schedule"). As of the date hereof, the County has documentation (e.g., architectural and engineering reports, plans and drawings, agreements and contracts) supporting its expectations regarding the expenditures set forth in the Draw Down Schedule. The County will maintain this documentation in accordance with the record retention requirements set forth in Exhibit B.

(6) No Private Loans. No portion of the proceeds of the Lease has been or will be used, directly or indirectly, to make or finance a loan to any person (other than a State or local government unit).

(7) Expectations Regarding Project Use for Life of Lease. The County reasonably expects to use the Project for the purposes described in Exhibit A or for other governmental purposes of the County during the entire term of the Lease.

(8) Practices and Procedures for Accounting for and Monitoring of Lease Proceeds. The County agrees to implement the practices and procedures (the "Written Procedures") set forth in Exhibit B in order to assure that the proceeds of the Lease are used in such a manner so as not to violate the provisions of the Internal Revenue Code of 1986, as amended, under which interest on the Lease is excluded from federal income taxation, and to take remedial actions in the event of a violation. These Written Procedures generally account for and monitor (i) the expenditure and investment of Lease proceeds, (ii) the use of the Project financed with the proceeds of the Lease, and (iii) any changes in the underlying structure of the Lease financing.

The County acknowledges that Written Procedures in Exhibit B are not exclusive and covenants to comply with (1) all tax limitations and requirements imposed with respect to the Lease including all requirements necessary to prevent the interest component of Lease Payments under the Lease from being included in the gross income of the recipients thereof for federal income tax purposes and (2) all State and local legal requirements regarding the valid incurrence of debt and permitted uses of the proceeds of the Lease. Unless otherwise set forth in the Written Procedures or subsequently changed by the County, the Assistant County Executive Officer will undertake post-issuance compliance relating to the Lease.

Notwithstanding the foregoing, failure to perform any task set forth in the Written Procedures will not constitute an event of default under the Lease.

(9) Certifications.

(a) The above statements are made on the basis of the facts, estimates and circumstances in existence on the date hereof and the undersigned has exercised due diligence to assure that all material facts, estimates and circumstances relating to the above statements were made available to the undersigned and reviewed by the undersigned.

(b) To the best knowledge of the undersigned, the above statements are reasonable and there are no other facts, estimates or circumstances, other than those set forth herein, that would materially affect the statements made herein.

(c) The undersigned is aware that Jones Hall, A Professional Law Corporation, is rendering an opinion on the date hereof substantially to the effect that the interest on the Lease is excluded from gross income for federal income tax purposes and in rendering such opinion is relying upon the statements made in this Certificate and in the Exhibits attached to this Certificate.

IN WITNESS WHEREOF, I have hereunto set my name this 27th day of June, 2018.

COUNTY OF RIVERSIDE

By: _____


Robert Field
Assistant County Executive Officer
Economic and Community Development

EXHIBIT A

PART I. Detailed Description of Project

Property to be financed include:

The Equipment as defined in Section 1.01 of the Original Agreement, as amended, and described in Exhibit A (Equipment Schedule) of the Third Amendment to Equipment Lease/Purchase Agreement. The Equipment to be acquired and installed on County-owned facilities consists of photovoltaic power generating systems on parking lot canopy shade structures at 16 sites and ground mounted solar systems at 2 sites. The parking lot shade structure systems will include inverters, under canopy lighting and other equipment. The ground mounted solar systems will include inverters, fencing and other equipment.

PART II. Description of Any Private Use of Project

A. Describe each use (other than use as a member of the general public made or to be made of the Project by any private person or entity (that is, any entity other than (i) the County or (ii) other State or local governmental entities). For this purpose, "use" includes, without limitation, sales, leases or other use agreements with respect to the Project with private, nongovernmental entities. "Use" of the Project does not include uses by members of the general public within the meaning of §1.141-3(c) of the Treasury Regulations (the "Regulations").

None.

B. Payments made or to be made in respect of above uses.

None.

EXHIBIT A (continued)

PART III. Schedule of Expected Expenditures of Proceeds of the Lease

The table below lists all reasonably expected expenditures of the Lease proceeds deposited in the Escrow Account as of the date hereof.

The County reasonably expects that all Lease proceeds (including earnings thereon to the extent those earnings remain on deposit in the Escrow Account) will be spent within 1 year after the Closing Date.

On the Closing Date, the County does not expect to reimburse any prior expenditures from proceeds of the Lease.

<u>Expenditure Date</u> (by month or quarter)	<u>Expenditure Amount</u>
2 nd Quarter 2018	\$2,495,395.18
Total:	\$2,495,395.18

EXHIBIT A (continued)

PART IV. Description of Federally insured deposits or guaranteed investments in the Escrow Account

Since October 30, 2017, the value and purchase price of federally insured deposits or other federally guaranteed investments other than U.S. Treasury obligations in the Escrow Account have always been under \$2,897,261.86.

The yield on the Escrow Account investments from October 30, 2017 until this date is no more than 3.3533% compounded semiannually.

EXHIBIT B

POST ISSUANCE COMPLIANCE

General

The County will take all appropriate action to assure that (i) no use of the proceeds of the Lease, and no other event or action, will cause the Lease to violate federal income tax limitations with respect to the exclusion of interest on the Lease from federal income taxation, and (ii) all uses of proceeds of the Lease comply with State and local legal requirements regarding the valid incurrence of debt and permitted uses of proceeds of the Lease.

Without limiting the generality of the foregoing, the County will take the following actions to account for and monitor (i) the expenditure and investment of Lease proceeds, (ii) the use of the Project financed with the proceeds of the Lease, and (iii) any changes in the underlying structure of the Lease financing. The County has the discretion to make exceptions or to require additional procedures as it deems necessary or desirable. The County reserves the right to modify these written procedures.

The Assistant Superintendent, Business & Administration (the "Responsible Officer") will undertake post-issuance compliance relating to the Lease. The Responsible Officer is familiar with the provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations (the "Regulations") governing the tax-exempt status of the Lease. The Responsible Officer may delegate tasks to other officers or staff of the County or to outside attorneys or other experts.

Initial Documentation Review

1. Upon receipt of the transcript for the Lease, review the covenants of the County with respect to the tax-exempt status of the Lease, the use of proceeds certificate, the Certificate as to Arbitrage (the "Tax Certificate") and any additional tax documentation. Confirm filing of the applicable 8038 form with the IRS.
2. Create a written schedule for due diligence reviews based upon expectations set forth in the transcribed documents.

Escrow Account: Allocation of Lease Proceeds to Expenditures

1. No less often than every six months through completion of the Project, monitor and document all expenditures from the Escrow Account and make the relevant determinations set forth under "Arbitrage and Rebate" below.
2. Monitor and document reimbursement of expenditures paid from non-lease proceeds prior to the date of issue of the Lease and verify compliance with §1.150-2 of the Regulations.

3. Allocate proceeds of Lease to expenditures subject to §1.148-6(d) and §1.141-6(a) of the Regulations by 18 months after the later of the date the expenditure was made or the date the Project was placed in service, but not later than the earlier of 5 years after the Lease was delivered or 60 days after the issue is retired. Use a consistent application of the same methodology for all expenditures of Lease proceeds. Document this allocation.

Non-governmental Uses of the Lease-Financed Facilities

No less than annually, take the following steps to review and document any non-governmental uses of the Project:

1. Confer with personnel responsible for the Project to identify, and discuss, any existing or planned use of Lease-financed or refinanced facilities, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate.
2. Monitor and document sales, leases or other use agreements with respect to the Project with nongovernmental entities, not including uses by members of the general public within the meaning of §1.141-3(c) of the Regulations. Compute the percent of private business use or private payments or private security with respect to those nongovernmental uses.
3. Monitor and document management contracts (see e.g., Rev. Proc. 97-13) with nongovernmental entities.
4. Monitor and document other special legal entitlements with respect to the Lease-financed property (e.g., licenses, use agreements, easements, etc.).
5. Consult with legal counsel regarding any private use or proposed change in use with respect to the Project.

Arbitrage and Rebate and Federal Guarantee

1. If the Lease is expected to be exempt from rebate, as set forth in the Tax Certificate, confirm the small issuer rebate exemption under Section 148(f)(4)(D) of the Tax Code at the end of the calendar year in which the Lease was delivered.
2. If the Lease is not exempt from rebate, hire a rebate calculation agent or perform rebate calculations internally.
3. Make any required rebate payments according to the following schedule:
 - a. The first installment is due 60 days after the end of 5th bond year.
 - b. Succeeding installments are due 60 days after end of every 5th bond year thereafter.

c. The final installment is due 60 days after retirement of the last bond of the issue.

4. Monitor expenditures of Lease proceeds for qualification for rebate expenditure exceptions: 6-month exception, 18-month exception or 24-month exception.

5. Monitor expenditures of Lease proceeds against date of issuance expectations, set forth in the Tax Certificate, regarding 3-year or 5-year temporary periods and 5-year hedge bond limitations. If temporary periods or hedge bond limitations are exceeded, determine if yield reduction payments will be made or if investments will be yield restricted.

6. Consult with legal counsel before entering into any post-issuance credit enhancement transactions or any hedging transactions with respect to the Lease or Lease proceeds.

7. If proceeds of the Lease are subject to yield restriction because a temporary period is unavailable, expired or waived, assure that the yield on the Lease proceeds subject to such yield restriction are invested at a yield not materially higher than the yield on the Lease applicable to such time period and make yield reduction payments if necessary to assure such investments are yield limited.

8. Avoid investment of Lease proceeds in insured deposits (including CDs) or other federally guaranteed investments other than U.S. Treasury obligations above the amounts permitted as set forth in the Tax Certificate.

Response to Noncompliance

1. Upon a determination of noncompliance, consult promptly with qualified special counsel and other legal counsel and advisers to determine what course of actions can be taken to preserve the tax-exempt status of the Lease.

2. If the noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the Regulations or other published guidance from the IRS, determine the deadline for taking action and proceed with diligence to take the required remedial actions.

3. If remedial actions are unavailable, determine whether to make a submission to the Tax Exempt Bonds Voluntary Closing Agreement Program ("VCAP") under Internal Revenue Manual 7.2.3.

Record Retention

1. Retain records of all accounting and monitoring the County carries out with respect to the Lease for at least 3 years after the Lease matures or is redeemed (whichever is earlier); however, if the Leases is redeemed and refunded, the County will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the lease which refunded the Lease.

2. Maintain special records required by the safe harbor for investment contracts or defeasance escrows under §1.148-5 of the Regulations.
3. Maintain a record of the identification on the County's books and records of any "qualified hedge" contract under §1.148-4(h)(2)(viii) and §1.148-11A(i)(3) of the Regulations.
4. Maintain a record of any election not to take depreciation on property required to be owned by a governmental unit which is leased to a nongovernmental entity as required by §1.103(n)-2T Q/A7 of the Regulations.
5. Maintain records of accounting for rebate and yield restriction for a period of at least 3 years after the earlier of the maturity or redemption of the Lease.

Reissuance

A significant modification of the Lease documents may result in the Lease being deemed refunded or "reissued". Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. Qualified special counsel should be consulted in the event of modification of the Lease documents.

Additional Procedures

The County is encouraged, but is not required, to adopt additional written practices and procedures in order to further ensure that: due diligence reviews are completed at regular intervals; any officials or employees responsible for review or compliance have been adequately trained; all documents and records needed to substantiate compliance are retained; noncompliance is identified in a timely manner; and any noncompliance is corrected in a timely manner.

I hereby acknowledge that as Assistant County Executive Officer of the County, I have primary responsibility for implementation of these post-issuance procedures relating to the Lease.

Acknowledgement:

COUNTY OF RIVERSIDE

By: 

Robert Field

Assistant County Executive Officer/
Economic and Community Development

\$54,548,300.00
COUNTY OF RIVERSIDE
2014 SOLAR FINANCING PROJECT

CERTIFICATE AS TO ARBITRAGE

I, the undersigned Assistant County Executive Officer of the County of Riverside (the "County"), being one of the officers of the County duly charged, with others, with the responsibility for the delivery by the County of the Third Amendment to Equipment Lease/Purchase Agreement, dated as of June 27, 2018 (the "Third Amendment"), by and between Banc of America Public Capital Corp., a Kansas corporation (the "Lender"), as lessor, and the County, as lessee, which Third Amendment is being delivered this date, hereby certify as follows:

(1) Purpose of Agreement. The Third Amendment is being entered into for the purpose of amending certain material terms (the "Amendments") of the outstanding Equipment Lease/Purchase Agreement (the "Original Agreement"), dated October 30, 2014, between the Lender, as lessor, and the County, as lessee, as amended by that certain First Amendment to Equipment Lease/Purchase Agreement (the "First Amendment"), by and between the Lender, as lessor, and the County, as lessee, dated as of February 9, 2016, and as further amended by that certain Second Amendment to Equipment Lease/Purchase Agreement (the "Second Amendment"), by and between the Lender, as lessor, and the County, as lessee, dated as of August 24, 2016 (the Original Agreement as amended by the First Amendment and the Second Amendment, the "Prior Agreement"). The Amendments results in the refunding on a current basis of the Prior Agreement. The Prior Agreement was entered into in order to provide funds for the financing of the costs of certain photovoltaic power generating systems (the "Project"), including certain capitalized interest allocable to the Project prior to October 30, 2017, more particularly described in the Certificate Regarding Use of Proceeds, dated the date hereof and included elsewhere in the transcript for the Agreement. The Prior Agreement as amended by the Third Amendment is herein referred to as the "Agreement".

(2) Structure of Financing. Pursuant to the Prior Agreement, the Lender deposited \$54,548,300.00 into the accounts (the "Escrow Account") described in the Escrow and Account Control Agreement (the "Escrow Account Agreement"), dated as of October 30, 2014, among the Lender, Bank of America, National Association (the "Escrow Agent") and the County, which moneys were to be used to acquire the equipment described in the Agreement (the "Equipment"). Pursuant to the Agreement, the County will continue to lease the Equipment from the Lender and will make lease payments to the Lender having a principal component of \$55,528,455 (the "Lease Payments"), which amount is not in excess of the value of the Equipment.

(3) Statement of Expectations. On the basis of the facts and estimates in existence on the date hereof, I reasonably expect the following with respect to the amount and use of gross proceeds of the Agreement:

(a) No Amounts Received As a Result of Amendment; No Aggregated Issues. There are no amounts being received by the County as a result of the Amendments and execution of the Third Amendment. No tax-exempt debt of the County other than the Agreement has been sold within fifteen (15) days before or after the date of the Amendments that will be paid from substantially the same source of funds as the Agreement (excluding guarantees from unrelated parties).

(b) Costs of Execution of the Agreement. Legal fees and other costs of amending the Prior Agreement and executing the Agreement will be paid by the County.

(c) Use of Escrow Account; Reimbursement. As of the date hereof, \$2,495,395.18 remains on deposit in the Escrow Account created with respect to the Prior Agreement (the "Escrow Account"). The proceeds of the Prior Agreement on deposit in the Escrow Account will become proceeds of the Agreement on the date hereof and will be used for the payment of costs of acquisition and construction of the Project. No portion of the proceeds of the Agreement will be used for reimbursement of expenditures paid by the County prior to the date of delivery of the Prior Agreement, except for (i) preliminary capital expenditures incurred before commencement of acquisition or construction of the Project that do not exceed twenty percent (20%) of the issue price of the Prior Agreement, and (ii) capital expenditures that (A) were paid no earlier than sixty (60) days before the date of the adoption by the County of a declaration of intent to reimburse such expenditures from the proceeds of obligations, and (B) are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid). Proceeds used for reimbursement of expenditures will be deposited in the general funds of the County, as appropriate, and will not be used to refund debt of the County, to replace funds of the County to be used to create a sinking or pledged fund for the Agreement or otherwise to create replacement proceeds for such debt or the Agreement.

(d) Completion of Project; Investment of Escrow Account; Capital Expenditures. The County will proceed with due diligence to construct the Project and to spend the proceeds of the Agreement. Completion of acquisition and construction of the Project is expected by August, 2018. All expenditures from the Escrow Account will be capital expenditures. Not less than eighty-five percent (85%) of the "Net Sale Proceeds" of the Prior Agreement namely an amount of proceeds of the Prior Agreement equal to the issue price of the Agreement, were spent by October 30, 2017. Interest earnings and gains resulting from investment of the Escrow Account were and will be retained in the Escrow Account and used to pay cost of the Project. Proceeds of the Agreement and interest earnings and gains on investment thereof, if any, remaining in the Escrow Account following the

date hereof will be invested at a yield not in excess of the yield of the Agreement (see subparagraph (m) below) or yield reduction payments under section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), will be made to the federal government with respect to such investment. Amounts, if any, unexpectedly remaining in the Escrow Account upon completion of the Project will be used to pay Lease Payments.

(e) Reserve Fund. A reserve fund is not being funded with respect to the Agreement.

(f) Lease Payments. The County will pay Lease Payments from its general fund or other funds that are legally available for that purpose. Prior to the payment of Lease Payments, no amounts in the general funds of the County will be segregated, set aside or pledged to the payment of Lease Payments and no amounts will be reasonably expected to be used directly or indirectly to pay, Lease Payments. There is no assurance that the general funds of the County will be available for the payment of Lease Payments if the County encounters financial difficulties. Amounts in the general funds of the County will be invested without yield restrictions.

(g) No Other Pledged Amounts or Investment-Type Property. Except as described herein, no amounts have been pledged to, or are reasonably expected to be used directly or indirectly to pay, Lease Payments, nor are there any amounts that have been reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay Lease Payments or otherwise secure the obligations under the Agreement. In addition, the County has not entered into, and does not reasonably expect to enter into, a hedge contract primarily for the purpose of reducing the County's risk of interest rate changes with respect to the Lease Payments or the Agreement.

(h) No Negative Pledges. There are no amounts held under any agreement requiring the maintenance of amounts at a particular level for the direct or indirect benefit of the Lender or any guarantor of the Agreement, excluding for this purpose amounts in which the County may grant rights that are superior to the rights of the Lender or any guarantor of the Agreement and amounts that do not exceed reasonable needs for which they are maintained and as to which the required level is tested no more frequently than every six (6) months and that may be spent without any substantial restriction other than a requirement to replenish the amount by the next testing date.

(i) No Replacement Proceeds. There are no amounts that have a sufficiently direct nexus to the Agreement or to the refunding program to conclude that the amounts would have been used for Lease Payments or for the refunding program if the proceeds of the Agreement were not being used for those purposes. The term of the Agreement is not longer than reasonably necessary for refunding of the Prior Agreement in that the weighted average maturity of the Agreement

does not exceed one hundred twenty percent (120%) of the average reasonably expected remaining economic life of the Project.

(j) No Improper Financial Advantage. The transaction contemplated herein does not represent an exploitation of the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and does not overburden the tax-exempt bond market in that the County is not borrowing more under the Agreement, executing the Agreement earlier, or allowing the Agreement to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Agreement.

(k) Bond Year for the Agreement. The County hereby selects each period from October 31 through October 30 of the following calendar year as the bond years for the Agreement, except that the first bond year will commence on the date hereof and the last bond year will end on the date of payment of the Agreement in full.

(l) Rebate Requirement. The County has covenanted in the Agreement to comply with requirements for rebate of excess investment earnings to the federal government to the extent applicable and acknowledges that the first payment of excess investment earnings, if any, is required to be rebated to the federal government no later than sixty (60) days after the end of the fifth (5th) bond year for the Agreement. The use of actual facts is elected for purposes of determining eligibility for and compliance with any expenditure exceptions to arbitrage rebate. The Prior Agreement is subject to requirements for rebate of excess investment earnings to the federal government and the County acknowledges that it is in compliance with those requirements.

(m) Yield of the Lease Payments. Avant Strategic Partners, L.P., as calculation agent, has represented that the yield of the Lease Payments is 3.53337% determined on the basis of regularly scheduled Lease Payments, adjusted by assuming present value in lieu of certain principal payments in the case of Lease Payments constituting certain discounted term bonds (debt), if any, and by assuming certain early redemption of principal in the case of certain yield-to-call bonds (debt), if any, all in accordance with the procedures for computing the yield on a fixed yield issue contained in Treasury Regulation §1.148-4(b). Said amounts are discounted to \$55,528,455, representing the issue price of the Agreement (being the being the total principal component of Lease Payments). The Lender has represented that (i) it paid the price of par in consideration for delivery of the Agreement; and (ii) it reasonably expects to hold its interest in the Agreement for its own account and does not expect to sell, assign, or otherwise transfer its interest in the Agreement.

(n) No Remaining Amounts. Other than the amount remaining in the Escrow Account referenced above, no funds remain in any account or fund established for payment of Lease Payments or established from the proceeds of the Prior Agreement.


(o) No Hedge Bonds. The Agreement does not constitute a "hedge bond" because the Prior Agreement was a not hedge bonds. The Prior Agreement was not a hedge bond because, on the date of delivery of the Prior Agreement, the District reasonably expected that not less than eighty-five percent (85%) of the proceeds of the Prior Agreement allocable to the Project would be expended within three (3) years of that date of delivery and not more than fifty percent (50%), if any, of the proceeds of the Prior Agreement allocable to the Project were invested in investments having a substantially guaranteed yield for four (4) or more years.

(4) Allocation and Accounting Procedures. The County will use a consistently applied accounting method to account for investments and expenditures of proceeds of the Agreement. Allocations of Agreement proceeds to expenditures will be made only with respect to a current outlay of cash for the expenditures. The County will not invest proceeds of the Agreement in a commingled fund in which the County owns more than 10 percent of the beneficial interest thereof. The County will maintain books and records until six years after the date of retirement or redemption of the Agreement sufficient to (i) establish the accounting method used, (ii) account for all investments of proceeds of the Agreement, and (iii) substantiate the allocation of proceeds of the Agreement to expenditures. In the event such allocations of Agreement proceeds to expenditures are not made within 60 days after the date five years after the date hereof, the County will use a specific tracing accounting method to account for investment and expenditures of proceeds of the Agreement.

On the basis of the foregoing, it is not expected that the proceeds of the Agreement will be used in a manner that would cause the Agreement to be an arbitrage bond within the meaning of section 148 of the Code and applicable regulations. To the best of my knowledge, information and belief, the expectations herein expressed are reasonable and there are no facts or estimates, other than those expressed herein, that would materially affect the expectations herein expressed.

Dated: June 27, 2018

COUNTY OF RIVERSIDE

By:  _____
Robert Field
Assistant County Executive Officer/
Economic and Community Development

ESCROW ACCOUNT COMPLIANCE CERTIFICATE AND AGREEMENT

\$54,548,300.00
COUNTY OF RIVERSIDE
2014 SOLAR FINANCING PROJECT

June 27, 2018

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ESCROW ACCOUNT COMPLIANCE CERTIFICATE AND AGREEMENT

The undersigned is a duly qualified officer of the County of Riverside, California (the "Lessee") and is charged, with others, with the responsibility for monitoring and assuring compliance with tax covenants related to the Lessee's the Equipment Lease/Purchase Agreement dated as of October 30, 2014 (as amended, the "Lease"), between the Lessee and Banc of America Public Capital Corp (the "Lessor"), the Escrow and Account Control Agreement dated as of October 30, 2014 (as amended, the "Escrow Agreement"), among the Lessor, the Lessee and Bank of America, National Association and the related Tax Certificate of the Lessee dated October 30, 2014 (the "2014 Tax Certificate") and the Certificate as to Arbitrage dated June 27, 2018 executed in connection with the reissuance of the Lease pursuant to the Third Amendment to Equipment Lease/Purchase Agreement dated as of June 27, 2018, between the Lessee and the Lessor (the "2018 Tax Certificate," and collectively with the 2014 Tax Certificate, the Lease and the Escrow Agreement, the "Financing Agreements"). Certain terms are defined in Article I hereof. Capitalized terms used herein and not defined herein or in Article I shall have the meanings given to them in the Financing Agreements.

One purpose of executing this Escrow Account Compliance Certificate and Agreement (the "Escrow Compliance Certificate") is to set forth various facts regarding the Financing Agreements and to establish past compliance with certain requirements related to maintenance of the exclusion from gross income of the interest component of Rental Payments paid with respect to the Lease and the expectations of the Lessee as to future events regarding those covenants. The certifications, covenants and representations contained herein are made on behalf of the Lessee for the benefit of Lessor and the owners from time to time (past present and future) of the Lease.

The Lessee has covenanted and hereby covenants that it has not and will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Lease) if taking, permitting or omitting to take such action would cause any part of the Lease to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest component of Rental Payments under the Lease to be included in the gross income of the recipients thereof for federal income tax purposes. The Lessee acknowledges that, in the event of an examination by the Internal Revenue Service of the Lease, under present rules, the Lessee may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

ARTICLE I

DEFINITIONS

In addition to such other words and terms used and defined in this Escrow Compliance Certificate, the following words and terms used in this Escrow Compliance Certificate shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Closing*” means the October 30, 2014, which is the first date on which the Acquisition Amount relating to the Lease was deposited into the Escrow Account.

“*Code*” means the Internal Revenue Code of 1986, as amended and the Regulations thereunder.

“*Current Arbitrage Yield*” means 3.353344% pursuant to the 2018 Tax Certificate.

“*Escrow Account*” means account so named and established under the Escrow Agreement into which the Acquisition Amount was deposited. Funds deposited in the Escrow Account have been and will be used to pay the Equipment Costs.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

“*Gross Proceeds*” means amounts in the Escrow Account and any other fund or account containing Net Proceeds, Sale Proceeds or Proceeds of the Lease or amounts replaced thereby.

“*Equipment Costs*” means all property financed, refinanced or reimbursed with Sale Proceeds (including investment earnings) of the Lease.

“*Net Proceeds*,” as defined in the 2014 Tax Certificate, means the proceeds obtained pursuant to the Lease Agreement, which includes total amount of \$54,548,300.00 for Equipment Costs, including Delivery Costs (as defined in the 2014 Tax Certificate).

“*Previous Arbitrage Yield*” means 3.3533% pursuant to the 2014 Tax Certificate and the IRS Form 8038-G dated August 31, 2016 and filed by the Lessee on said date.

“*Qualified Tax-Exempt Obligations*” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest that is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344 (this clause (c) applies only to demand deposit SLGS, not to other types of SLGS).

“*Rebate Fund*” means the fund, if any, identified in the Financing Agreements for the purpose of holding money to be paid with respect to the Lease as rebate under the Rebate Provisions.

“*Rebate Provisions*” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“*Regulations*” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“*Reimbursed Expenditures*” means any expenditures of the Lessee paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

“*Sale Proceeds*” means amounts actually or constructively received from the sale of the Lease, including (a) the Acquisition Amount, and (b) amounts, if any, derived from the sale of any right that is part of the terms of the Lease or is otherwise associated with the Lease (e.g., a prepayment right).

“*Yield*” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation produces an amount equal to the obligation’s purchase price, including accrued interest. For purposes of computing the Yield on the Lease and on investments, the same compounding interval (which must be an interval of not more than one year) and standard financial conventions (such as a 360-day year) must be used.

“*Yield Reduction Payment*” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE II

YIELD AND INVESTMENT LIMITATIONS

Section 2.1. Expenditure Expectations. The Lessee has expected and continues to expect to spend all of the amounts in the Escrow Account on the Equipment Costs.

Section 2.2. Yield Limits. (a) Except as provided in paragraph (b), all Gross Proceeds including those in the Escrow Account (i) have been invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Previous Arbitrage Yield plus, if only amounts in the Escrow Account are subject to this Yield limitation, 1/8th of one percent, and (ii) will be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Current Arbitrage Yield plus, if only amounts in the Escrow Account are subject to this Yield limitation, 1/8th of one percent.

(b) The following was permitted to be invested and in the case of (ii) below may be invested without Yield restriction:

(i) amounts qualifying for a temporary period consisting of:

(A) amounts on deposit in the Escrow Account prior to October 30, 2017;

(ii) amounts qualifying for other exceptions consisting of:

(A) an amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(B) amounts invested in Qualified Tax-exempt Obligations;

(C) amounts in the Rebate Fund;

(D) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(E) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

Section 2.3. Federal Guarantees. Except as otherwise permitted by the Regulations, no portion of the payment of principal of or interest on the Lease or any credit enhancement or liquidity device relating to the Lease has been, is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). This Section does not apply to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Section 2.4. Federally Guaranteed Investments. (a) Certain Gross Proceeds including any amounts contained in the Escrow Account after October 30, 2017 may not be invested in a manner that is considered to create a federal guarantee. The restrictions in this Section applies to all Gross Proceeds except amounts on deposit in the Escrow Fund prior to October 30, 2017.

(b) If the Lessee held or holds any Gross Proceeds (other than Gross Proceeds on deposit in the Escrow Account on or prior to October 30, 2017), then any such Gross Proceeds in an amount in excess of five percent of the Sale Proceeds shall not be invested in:

- (i) federally insured deposits or accounts, such as bank accounts and C.D.s;
- (ii) obligations of or directly or indirectly guaranteed, in whole or in part, by the United States (or any agency or instrumentality of the United States), other than the following:

- (a) United States Treasury Obligations;

- (b) obligations issued by the Resolution Funding Corporation pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or any successor provision (e.g., Refcorp Strips); and

- (c) obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Section 2.5. Yield Reduction Payments. In order to satisfy the yield restriction requirements of Section 2.2 above, the Lessee may have made or may make in the future Yield Reduction Payments. The Lessee has made all Yield Reduction Payments required to date and if any Yield Reduction Payments are required in the future, they will be made timely. The Lessee has calculated that as of the date of this Certificate, no Yield Reduction Payment is required.

Section 2.6. Fair Market Value of Investments. In investing the Escrow Account, the Lessee has always paid fair market value for investments and has not purchased any GIC.

Section 2.7. 2014 Tax Certificate. (a) In Section 5.2 of the 2014 Tax Certificate, the Lessee covenanted that if on the date three years after the Funding Date (that is, October 30, 2017) any Net Proceeds (as defined in the 2014 Tax Certificate) remained on deposit in the Escrow Account, such funds were required to be invested in Qualified Investments (as defined in the 2014 Tax Certificate) not subject to the alternative minimum tax or Qualified Investments the Yield on which does not exceed the Yield on the Financing Agreements (the Yield on the Lease). The Lessee understands that the reference to Qualified Investments not subject to the alternative minimum tax was always intended to mean Qualified Investments that were also Qualified Tax-

Exempt Obligations. Section 5.2 of the 2014 Tax Certificate permits investment above the yield limit if a Yield Reduction Payment under Treas. Reg. § 1.148-5(c)(3)(i)(A) is timely made. The Lessee understands that if a Yield Reduction Payment is made, the Yield Reduction Payment will affect the investment yield and that, notwithstanding the exception so provided in Section 5.2(b) of the 2014 Tax Certificate, the investment yield limits must in fact be met (taking such Yield Reduction Payment into account). Section 5.2(d) allows the investment yield to be up to one eighth of one percent higher than the yield on the Lease in certain cases. (This permitted spread is also described in Section 2.2(a) of this Escrow Compliance Certificate.) The numerical representation (but not the wording) of the spread in Section 5.2(d) is clearly in error and is and has been interpreted as one eighth of one percent.

(b) In Section 5.9 of the 2014 Tax Certificate, the Lessee covenanted to avoid any Federal guarantee of the bonds that might result from the investment of the Net Proceeds of the Lease.

(c) Except for corrections of the errors described in (a) above, the Lessee has complied with and continues to comply with the restrictions contained in the 2014 Tax Certificate, including particularly those in Sections 5.2 and 5.9 of the 2014 Tax Certificate, and will comply with the restrictions contained in the 2018 Tax Certificate.

Section 2.8. Escrow Account Investment. Because of the investment limitations described in this Escrow Compliance Certificate, after October 30, 2017, any amounts remaining in the Escrow Account have been and must continue to be invested to avoid violating the restrictions set forth in this Escrow Compliance Certificate.

DATED: June 27, 2018

COUNTY OF RIVERSIDE

By 

Robert Field

Assistant County Executive Officer/Economic
and Community Development