

BOARD OF SUPERVISORS

AMENDED AGENDA

Meetings are located at:
Yuba County Government Center
Board Chambers, 915 Eighth Street
Marysville, California



Agenda materials are available at the Yuba County Government Center, 915 8th Street, Marysville and www.co.yuba.ca.us. Any disclosable public record related to an open session item and distributed to all or a majority of the Board less than 72 hours prior to the meeting is available for public inspection at Suite 109 of the Government Center during normal business hours.

OCTOBER 20, 2015

CHANGED IX. CLOSED SESSION ITEM B TO TWO CASES

9:15 A.M. FINANCE AND ADMINISTRATION COMMITTEE - Supervisors Griego and Abe (Alternate Supervisor Fletcher) -

- A. [\(473-1015\) Consider amending Departmental Allocation Schedule and Basic Salary Schedule regarding Deputy County Administrator classification - Human Resources/County Administrator \(Ten minute estimate\)](#)

9:30 A.M. YUBA COUNTY BOARD OF SUPERVISORS - Welcome to the Yuba County Board of Supervisors meeting. As a courtesy to others, please turn off cell phones, pagers, or other electronic devices, which might disrupt the meeting. All items on the agenda other than Correspondence and Board and Staff Members Reports are considered items for which the Board may take action. The public will be given opportunity to comment on action items on the agenda when the item is heard.

- I. **PLEDGE OF ALLEGIANCE** - Led by Supervisor Griego
- II. **ROLL CALL** - Supervisors Vasquez, Nicoletti, Griego, Abe, Fletcher
- III. **CONSENT AGENDA**: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.
 - A. Clerk of the Board of Supervisors
 - 1. [\(458-1015\) Approve meeting minutes of October 6, 2015.](#)
 - B. Emergency Services
 - 1. [\(459-1015\) Adopt resolution proclaiming the existence of ongoing local drought emergency in the County of Yuba.](#)
 - C. Human Resources
 - 1. [\(460-1015\) Adopt resolution adopting Departmental Position Allocation in its entirety relating to Fiscal Year 2015-2016 Budget.](#)
 - D. Sheriff/Coroner
 - 1. [\(461-1015\) Approve agreement with D-Tac K-9 LLC for professional canine training and authorize Chair to execute.](#)
- IV. **SPECIAL PRESENTATION**
 - A. [\(462-1015\) Present 2015 Employee Recognition Awards.](#)
 - B. [\(463-1015\) Present proclamation proclaiming October Children's Disabilities Awareness Month.](#)
- V. **PUBLIC COMMUNICATIONS**: Any person may speak about any subject of concern provided it is within the jurisdiction of the Board of Supervisors and is not already on today's agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will

be limited to no more than 5 minutes. Prior to this time speakers are requested to fill out a "Request to Speak" card and submit it to the Clerk of the Board of Supervisors. Please note: No Board action can be taken on comments made under this heading.

VI. **COUNTY DEPARTMENTS**

A. Administrative Services

1. [\(464-1015\) Approve agreement with Elite Security for one year and authorize Chair to execute. \(Ten minutes estimate\)](#)
2. [\(465-1015\) Adopt resolution authorizing the execution of certain lease financing documents regarding sale of certificates of participation in an amount not to exceed \\$5,600,000 to finance clean renewable energy project and authorizing and directing certain actions with respect thereto. \(Fifteen minute estimate\)](#)

RECESS AS BOARD OF SUPERVISORS AND CONVENE AS YUBA COUNTY PUBLIC FACILITIES CORPORATION

1. [Adopt resolution approving form and authorizing execution of certain lease financing documents regarding sale of certificates of participation in an amount not to exceed \\$5,600,000 to finance clean renewable energy project and authorizing and directing certain actions with respect thereto. \(Five minute estimate\)](#)

ADJOURN AND RECONVENE AS BOARD OF SUPERVISORS

D. Board of Supervisors

1. [\(467-1015\) Consider authorizing membership to North Valley Hispanic Chamber of Commerce and take action as appropriate. \(Ten minute estimate\)](#)

E. Child Support Services/Human Resources

1. [\(468-1015\) Adopt resolution authorizing the hiring of a retired annuitant for Attorney III position with the exception to the 180 day wait period Government Code 7522.56 and 21224 and authorize Chair to execute. \(Five minute estimate\)](#)

F. Community Development and Services

1. [\(466-1015\) Adopt resolution accepting donation of \\$95,000 from CSA 2 residents and authorizing borrowing of \\$65,000 from CSA 66 to CSA 2 for additional paving of CSA 2 roads to be repaid with interest at the county pool rate. \(4/5 vote required. Roll Call Vote\) \(Ten minute estimate\)](#)

G. County Administrator

1. [\(469-1015\) Provide direction for improvements needed at Juvenile Hall and Camp Singer. \(Ten minute estimate\)](#)

VII. **CORRESPONDENCE:** The Board may direct any item of informational correspondence to a department head for appropriate action.

- A. [\(472-1015\) Letter from United States Army Corps of Engineers regarding a series of public scoping meetings on the Yuba River Ecosystem Restoration Feasibility Study.](#)

VIII. **BOARD AND STAFF MEMBERS' REPORTS:** This time is provided to allow Board and staff members to report on activities or to raise issues for placement on future agendas.

IX. **CLOSED SESSION**

- A. Personnel pursuant to Government Code §54957 – Department Head Evaluation/Agriculture Commissioner
- B. Pending litigation pursuant to Government Code §54956.9(d)(2) – Two Cases

X. **ORDINANCES AND PUBLIC HEARINGS:** If you challenge in court the action or decision of the Yuba County Board of Supervisors regarding a zoning, planning, land use or environmental protection matter made at any public hearing described in this notice, you may be limited to raising only those issues you or someone else raised at such public hearing, or in written correspondence delivered to the Yuba County Board of Supervisors at, or prior to, such public hearing and such public comments will be limited to three minutes per individual or group.

- A. [1:30 P.M. \(470-1015\) Public Hearing - Hold public hearing and adopt findings of facts, conclusions of law and orders authorizing the assessment of administrative and abatement costs and penalties in the amount of \\$62,220.69 and the recording of a lien regarding 4589 Olivehurst Avenue, Olivehurst, Estate of Frank and Lanita C. Van Wagoner. \(Roll Call Vote\) \(Thirty minute estimate\)](#)
- B. [1:30 P.M. \(471-1015\) Public Hearing - Hold public hearing and adopt findings of facts, conclusions of law and orders authorizing the assessment of administrative and abatement costs and penalties in the amount of \\$66,854.42 and the recording of a lien regarding 6152 Brophy Road, Marysville, Nathan J. and Hannah M. Lang. \(Roll Call Vote\) \(Forty-five minute estimate\)](#)

XI. **ADJOURN**

3:00 P.M. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made two full business days before the start of the meeting. To place an item on the agenda, contact the office of the Clerk of the Board of Supervisors.



HUMAN RESOURCES and ORGANIZATIONAL SERVICES

JILL ABEL, HUMAN RESOURCES DIRECTOR

TO: Finance and Administration Committee
FROM: Jill Abel, Human Resources Director
Robert Bendorf, County Administrator
DATE: October 20, 2015
SUBJECT: Amend the County's Basic Salary Schedule & Department Allocation Schedule

RECOMMENDATION

Adopt the resolutions to amend the Classification System – Basic Salary/Hourly Schedule and the Department Allocation Schedule as it relates to the County Administrator's Office.

BACKGROUND

In 2008, there was a County-wide classification study for all administrative and accounting positions. Following this class study, the Administrative Analyst position allocated to the County Administrator's Office was re-titled to Management Analyst. Since 2008, the County has experienced significant budget deficits which have impacted all departments including the County Administrator's Office. In 2009, the Deputy County Administrator – Emergency Services resigned and in 2010, the Assistant County Administrator retired and the County Administrator elected to not fund either position. The County Administrator and a single Management Analyst position have been absorbing the higher level administration workload for the last five years.

DISCUSSION

It is common for classification issues to arise after a few years of staff reductions as certain high level administrative and operational functions do not simply go away. The workload is often spread among the remaining positions. For that reason, Human Resources hired an independent consultant to conduct a classification study of the Management Analyst position to ensure it was appropriately classified and compensated.

The consultant found the level, scope and criticality of the County-wide budgetary and financial functions performed by the incumbent to be at a level equivalent to a Deputy County Administrator in the surrounding counties. The incumbent works independently in addressing budget and day-to-day operational issues brought to the County Administrator's Office. It is recommended that the Board establish a new classification of Deputy County Administrator and that the incumbent be reclassified to it.

Based upon the consultant's analysis, it is recommended that the Deputy County Administrator position be compensated with a base salary of \$7,292 per month. The consultant's analysis relied upon the current structure of the County Administrator's Office, the County's internal compensation structure and labor market comparisons from the surrounding counties.

FISCAL IMPACT

The estimated fiscal impact for the current year is approximately \$37,075.

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

RESOLUTION AMENDING THE)
CLASSIFICATION SYSTEM –)
BASIC SALARY SCHEDULE)
_____)

RESOLUTION NO. _____

BE IT RESOLVED that the Classification System – Basic Salary/Hourly Schedule is amended as follows effective October 1, 2015.

ADD:

Code	Classification	Unit	BASE: STEP A	HOURLY	OT Code	WC Code
DCAD	Deputy County Administrator	8	7,292	42.07	E	9410

PASSED AND ADOPTED by the Board of Supervisors of the County of Yuba, State of California, on the day of _____, 2015 by the following votes:


AYES:
NOES:
ABSENT:

CHAIRMAN

ATTEST: Donna Stottlemeyer
Clerk of the Board

APPROVED AS TO FORM: Angil Morris-Jones
County Counsel

By: _____

By:  _____

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

RESOLUTION AMENDING THE)
DEPARTMENTAL POSITION)
ALLOCATION SCHEDULE)
_____)

RESOLUTION NO. _____

BE IT RESOLVED that the Departmental Position Allocation Schedule as it relates to the following department(s) is amended effective October 1, 2015 as follows:

ADD:

DEPARTMENT	CLASSIFICATION	# OF POSITIONS
County Administrator	Deputy County Administrator	1

PASSED AND ADOPTED by the Board of Supervisors of the County of Yuba, State of California, on the _____ day of _____, 2015 by the following votes:

AYES:

NOES:


ABSENT:

CHAIRMAN

ATTEST: Donna Stottlemeyer
Clerk of the Board

APPROVED AS TO FORM: Angil Morris-Jones
County Counsel

By: _____

By:  _____

The County of Yuba

BOARD OF SUPERVISORS

OCTOBER 6, 2015



The Honorable Board of Supervisors of the County of Yuba met on the above date, in special session, commencing at 6:00 p.m. within the Government Center, Marysville, California, with a quorum being present as follows: Supervisors Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, and Randy Fletcher. Also present were Community Services and Development Agency Director Kevin Mallen, County Counsel Angil Morris-Jones, and Clerk of the Board of Supervisors Donna Stottlemeyer. Chair Griego presided.

- I. PLEDGE OF ALLEGIANCE - Led by Supervisor Vasquez
- II. ROLL CALL - Supervisors Vasquez, Nicoletti, Griego, Abe, Fletcher - All present.
- III. CONSENT AGENDA: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.

MOTION: Move to approve Consent Agenda MOVED: Andrew Vasquez SECOND: Randy Fletcher
AYES: Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, Randy Fletcher
NOES: None ABSENT: None ABSTAIN: None

A. Administrative Services

- 1. (439-1015) Approve agreement with Mead and Hunt, Inc. for engineering services for completion of Airport Layout Plan and authorize Chair to execute. Airport Manager Mary Hansen recapped the agreement and responded to Board inquiries.

No public comment.

MOTION: Move to approve MOVED: Roger Abe SECOND: Randy Fletcher
AYES: Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, Randy Fletcher
NOES: None ABSENT: None ABSTAIN: None

- 2. (440-1015) Approve second amendment to sub-lease Peach Tree Clinic, 5730 Packard Avenue, and authorize Chair to authorize. Approved.

B. Community Development and Services

- 1. (441-1015) Award contract to apparent low bidder, R and R Horn Inc., for rail crossing reconstruction on Ellis Road at Union Pacific Railroad, pending review and approval by County Counsel and Caltrans, and authorize Chair to execute. Approved.

2. (442-1015) Approve floodplain development variance for agricultural building at 7880 Highway 70, APN 018-030-025. Approved.

C. Clerk of the Board of Supervisors

1. (443-1015) Approve minutes of the meetings of September 14, 15, and 22, 2015. Approved.
2. (444-1015) Reappoint Ann Soliday as the Public Agency Representative to the Child Care Planning Council of Yuba and Sutter Counties for the term ending September 30, 2018. Approved.

D. Health and Human Services

1. (445-1015) Approve renewal agreement with Bi-County Ambulance Service, Incorporated and authorize Chair to execute. Approved
2. (446-1015) Authorize continuation of County Employee Wellness Program for Fiscal Year 2015-2016. Health Officer Dr. Nichole Quick recapped changes to program and responded to Board inquiries.

MOTION: Move to approve MOVED: John Nicoletti SECOND: Andrew Vasquez
AYES: Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, Randy Fletcher
NOES: None ABSENT: None ABSTAIN: None

IV. PUBLIC COMMUNICATIONS

Mr. Eduardo Madera, definition of authorities
Mr. Ernest Ehnisz, Magnolia Ranch

V. COUNTY DEPARTMENTS

A. Board of Supervisors

1. (447-1015) Appoint California State Association of Counties Board of Director representative and alternate for term commencing December 1, 2015. (Five minute estimate)

MOTION: Move to approve appoint Supervisor Abe representative and Supervisor Vasquez alternate
MOVED: John Nicoletti SECOND: Randy Fletcher
AYES: Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, Randy Fletcher
NOES: None ABSENT: None ABSTAIN: None

VI. ORDINANCES AND PUBLIC HEARINGS: If you challenge in court the action or decision of the Yuba County Board of Supervisors regarding a zoning, planning, land use or environmental protection matter made at any public hearing described in this notice, you may be limited to raising only those issues you or someone else raised at such public hearing, or in written correspondence delivered to the Yuba County Board of Supervisors at, or prior to, such public hearing and such public comments will be limited to three minutes per individual or group.

- A. (448-1015) Ordinance - Hold public hearing, waive reading, and introduce ordinance adding section 8.05.325 relating to incessant dog barking and enforcement procedure. (Roll Call Vote) (First Reading) (Ten minute estimate) Captain Long, Animal Care Services Manager, recapped proposed ordinance changes, complaint form, process to become compliant and reduction of violation to an infraction. Captain Long responded to Board inquiries.

Chair Griego opened the public hearing. The following individual spoke: Mr. Zach Cross

MOTION: Move to close public hearing, waive reading, and introduce ordinance

MOVED: Andrew Vasquez SECOND: Randy Fletcher

AYES: Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, Randy Fletcher

NOES: None ABSENT: None ABSTAIN: None

(449-1015) Ordinance - Hold public hearing, waive reading, and introduce ordinance amending section 8.05.320 reducing violation to an infraction. (Roll Call Vote) (First Reading) (Ten minute estimate)

MOTION: Move to close public hearing, waive reading, and introduce ordinance

MOVED: Andrew Vasquez SECOND: Randy Fletcher

AYES: Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, Randy Fletcher

NOES: None ABSENT: None ABSTAIN: None

VII. CORRESPONDENCE: The Board may direct any item of informational correspondence to a department head for appropriate action.

- A. (450-1015) Minutes from California Fish and Wildlife Conservation Board of May 21, 2015, which includes Daugherty Hill Wildlife Area expansion acquiring 732 acres. Received.
- B. (451-1015) Notice from United States Fish and Wildlife Service Petition findings on ten species in California and Nevada. Received.
- C. (452-1015) Notice from California Fish and Game Commission of proposed regulatory action regarding "Transgenic" and "Miscellaneous Applications." Received.

VIII. BOARD AND STAFF MEMBERS' REPORTS

Supervisor Nicoletti:

- o Marysville Kiwanis's Club at Marysville Fire Department
- o Homeless issues in the community
- o Indigenous People Days October 9-10, 2015
- o Attended various TRLIA meetings
- o Tales of the Crypt at Marysville Cemetery October 10, 2015
- o Taiwan Sister City Celebration in San Francisco, October 9, 2010
- o Memorial Adjournment - Mr. Charles Hollingsworth

Supervisor Abe: Meetings Attended:

- o Regional Council of Rural Counties Conference September 23-24, 2015
- o Infant exposure to illicit substances meeting September 28, 2015
- o Yuba Sutter Farm Bureau September 28, 2015
- o Feather River Overpass/Highway 70 Ribbon Cutting September 30, 2015
- o LAFCO Special Meeting September 30, 2015
- o Mahinder Tractor Ribbon Cutting October 2, 2015

Supervisor Fletcher: Meetings Attended:

- Infant exposure to illicit substances meeting September 28, 2015
- Yuba Sutter Economic Development Corporation September 28, 2015
- Library Advisory Committee October 1, 2015
- Biomass Program October 6, 2015

Supervisor Griego:

- Mahinder Tractor Ribbon Cutting October 2, 2015
- TRLIA approval of 200 Year EIR Goldfields Project
- Redevelopment Oversight Agency Board meeting September 29, 2015
- Beale visit with Olivehurst Public Utility District October 7, 2015

Chair Griego established an ad hoc committee regarding homeless issues appointing Supervisors Nicoletti and Vasquez

IX. ADJOURN: 7:08 p.m. in memory of Mr. Charles Hollingsworth.

Chair

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

Approved: _____



COUNTY OF YUBA

OFFICE OF EMERGENCY SERVICES

(459-1015) Adopt... - 1 of 4

RF


COUNTY ADMINISTRATOR
DIRECTOR OF EMERGENCY SERVICES

SCOTT BRYAN
EMERGENCY OPERATIONS MANAGER

HOLLY POWERS
EMERGENCY OPERATIONS PLANNER

Board Memo

To: Board of Supervisors

Fr: Scott Bryan, Emergency Operations Manager
Holly Powers, Emergency Operations Planner 

Re: Proclaim the existence of a local emergency in the County of Yuba

Date: October 20, 2015

Recommendation:

The Board of Supervisors adopt a resolution proclaiming the continuation of a local emergency due to the ongoing drought conditions.

Background:

On January 17, 2014 Governor Edmund G. Brown Jr. declared a Statewide Drought Emergency due to the impacts on the State of California as a result of four continuous years of drought. On February 18, 2014 the Director of Emergency Services proclaimed a local emergency due to the effects the drought has had within the County of Yuba. Your Board ratified said proclamation on February 25, 2014 and extended on September 22, 2015.

Discussion:

With an on-going water shortage affecting the County of Yuba, the final duration of the emergency has not yet been determined. The recent rainstorms are seasonally expected and are consistent with the average rainfall during this time of year. At this point, the storms have had no impact on lessening drought conditions. Therefore it is recommended that your Board extend the current proclamation of a local emergency until the end of the incident period per (Govt. Code Section 8630 (c)). This proclamation of emergency will be reviewed and renewed no less than once every thirty days. Per (Govt. Code Section 8630(d)) this proclamation of emergency shall be terminated as soon as reasonably possible.

Committee Action:

No committee action was taken due to time constraints.

Fiscal Impact:

There is an unknown impact to the general fund as of this date.

THIS PAGE INTENTIONALLY LEFT BLANK

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

RESOLUTION:

THE BOARD OF SUPERVISORS)	
ADOPT A RESOLUTION)	
PROCLAIMING THE EXISTENCE OF)	
AN ONGOING LOCAL DROUGHT)	
EMERGENCY IN THE COUNTY OF)	
YUBA.	)	RESOLUTION NO. _____

WHEREAS, the Yuba County Director of Emergency Services did hereby proclaim a local emergency in the County of Yuba on February 18, 2014 per Ordinance Code section 4.20; and

WHEREAS, conditions of peril to public health and safety remain in the County of Yuba due to the statewide drought; and

WHEREAS, the County of Yuba Board of Supervisors does hereby find that the aforesaid conditions of peril do warrant and necessitate a proclamation of the existence of a local emergency due to a statewide drought; and

NOW, THEREFORE, IT IS HEREBY PROCLAIMED, that a local emergency continues to exist in the County of Yuba and the Board of Supervisors Proclamations through this resolution of the continuance of a Local Emergency in the County of Yuba.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the _____ day of _____ 2015.

AYES:

NOES:

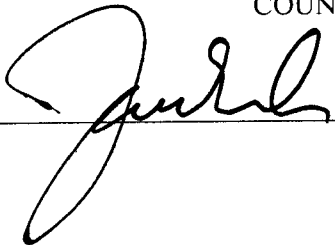
ABSENT:

ABSTAIN:

Chair

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

APPROVE AS TO FORM:
COUNTY COUNSEL



The County of Yuba



(460-1015) Adopt... - 1 of 6

MARYSVILLE, CA 95901

(530) 749-7860 • PHONE
(530) 749-7864 • FAX

HUMAN RESOURCES and ORGANIZATIONAL SERVICES

JILL ABEL, DIRECTOR

To: The Board of Supervisors

From: Jill Abel, Human Resources Director

Date: October 20, 2015

Re: Resolution adopting the Yuba County Departmental Position Allocation Schedule as it relates to the 2015 - 2016 Fiscal Year Budget

RECOMMENDATION:

Adopt the attached Resolution amending the Yuba County Departmental Position Allocation Schedule in its entirety as set forth in Attachment "A", effective **July 1, 2015** as it relates to the **2015-2016** Fiscal Year Budget.

DISCUSSION:

The Yuba County Department Position Allocation is brought to the Board at different times throughout the year to reflect changes in classification and position allocation. The attached allocation reflects the changes to the Yuba County Department Position Allocation as approved by the Board of Supervisors during the final budget hearing on September 15, 2015 including approvals by the County Administrator or through resolutions as approved by the Board of Supervisors since adoption of the preliminary budget.

COMMITTEE ACTION:

None – Administrative only

FISCAL IMPACT:

None – Administrative only

THIS PAGE INTENTIONALLY LEFT BLANK

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

IN RE:

RESOLUTION ADOPTING THE) NO. _____
DEPARTMENTAL POSITION ALLOCATION)
IN ITS ENTIRETY)
_____)

BE IT RESOLVED that the Departmental Position Allocation Schedule be adopted as follows effective **07/01/15**.

IN ITS ENTIRETY AS SET FORTH IN ATTACHMENT "A"

PASSED AND ADOPTED by the Board of Supervisors of the County of Yuba, State of California, on the _____ day of _____, 2015 by the following votes:

AYES:
NOES:
ABSENT:

CHAIRMAN

ATTEST: Donna Stottlemyer
Clerk of the Board

APPROVED AS TO FORM: Angil Morris-Jones
County Counsel

By _____

By: _____

**COUNTY OF YUBA
POSITION ALLOCATION FOR FISCAL YEAR 2015- 2016**

(460-1015) Adopt... - 4 of 6

Administrative Services	
Accounting Specialist	1
Administrative Services Officer II	1
Administrative Technician	1
Airport Manager	1
Assistant Director of Administrative Services	1
Building & Grounds Supervisor	1
Building Maintenance Custodian	8
Building Maintenance Technician I/II (1 LT Exp 7/1/16)	3
Custodial Supervisor	1
Director of Administrative Services	1
Facilities Manager	1
Project Manager	1
Senior Accounting Technician	1
Senior Building Maintenance Technician	1
TOTAL:	23

Agricultural Comm / Weights & Measures	
Agricultural Commissioner / Director of Weights & Measures	1
Agricultural, Weights & Measures Specialist I/II/III	5
Assistant Ag Comm / Dir. of Weights & Measures	1
Executive Assistant	1
TOTAL:	8

Assessor	
Assessment Assistant I/II	2
Assessment Specialist	3
Assessor	1
Assistant Assessor	1
Auditor-Appraiser I/II/III	1
Cadastral Drafting Technician I/II	2
Chief Deputy Assessor - Administration	1
Real Property Appraiser I/II/III	4
Transfer Analyst I/II	2
TOTAL:	17

Auditor-Controller	
Accounting Assistant I/II	2
Accounting Specialist	1
Accounting Technician	3
Administration & Accounting Supervisor	1
Auditor-Controller	1
Payroll Technician	1
Senior Accountant Auditor	1
TOTAL:	10

Board of Supervisors	
Supervisor	5
TOTAL:	5

County Administrator	
Assistant County Administrator	1
Communications and Legislative Affairs Coordinator	1
County Administrator	1
Executive Assistant to County Administrator - C	1
Management Analyst I/II	1

Emergency Services	
Emergency Operations Manager	1
Emergency Services Planner	1
Deputy County Administrator - Emergency Services	1

Three Rivers Levee Improvement Authority	
Executive Assistant	1
Executive Director, Three Rivers Levee Improvement Authority	1
TOTAL:	10

Child Support Services	
Accounting Assistant I/II	1
Accounting Specialist	2
Administration & Accounting Supervisor	1
Attorney I/II/III	2
Case Manager I/II	12
Child Support Technician	3
Customer Relations Supervisor	1
Deputy Director/Administrative Affairs	1
Director of Child Support Services	1
Executive Assistant	1
Legal Office Assistant I/II	3
Office Assistant I/II	4
Supervising Case Manager	2
Supervising Office Assistant	1
Training Coordinator - CSS	1
TOTAL:	36

Clerk of the Board	
Clerk of the Board of Supervisors	1
Deputy Clerk of the Board of Supervisors - C	1
Office Specialist - C	1
TOTAL:	3

Community Development & Services Agency	
Accounting Specialist	1
Accounting Technician	1
Administration & Accounting Supervisor	1
Administrative Service Officer I	1
Administrative Technician	2
Assistant Director of Public Works	1
Assistant Public Works Superintendent	2
Assistant/Associate Engineer	1
Associate Civil Engineer	4
Associate Surveyor	1
Building Inspector III	3
Chief Building Official	1
Code Enforcement Officer I/II	5
Community Development & Services Agency Director	1
County Surveyor	1
Director of Environmental Health	1
Director of Finance & Administration	1
Director of Planning	1
Engineering Technician I/II	3
Environmental Health Specialist I/II/III	4
Environmental Health Supervisor	1
Environmental Health Technician	2
Finance & Administrative Supervisor	1
Fiscal Analyst	1
Hazardous Materials Specialist I/II/III	1
Hazardous Materials Supervisor	1
Heavy Equipment Mechanic	2
Office Specialist	2
Permit Technician	1
Plan Checker I/II	2
Planner I/II/III	2
Planning Technician	1
Principal Engineer	2
Public Works Director	1
Public Works Maintenance Worker I/II	16
Public Works Project Manager	1
Public Works Superintendent	1
SUBTOTAL: (Cont. Next Page)	74

**COUNTY OF YUBA
POSITION ALLOCATION FOR FISCAL YEAR 2015- 2016**

(460-1015) Adopt... - 5 of 6

Community Development & Services Agency (Continued)	
Senior Accounting Technician	1
Senior Public Works Maintenance Worker	5
Supervising Building Official	1
Supervising Mechanic	1
TOTAL:	82

County Clerk-Recorder	
Clerk-Recorder Manager	1
County Clerk-Recorder	1
Elections Clerk I/II	3
Recorder Clerk I/II	5
Registrar of Voters Manager	1
TOTAL:	11

County Counsel	
Chief Deputy County Counsel	1
County Counsel	1
Deputy County Counsel I/II/III	4
Legal Services Coordinator	1
Paralegal	1
TOTAL:	8

District Attorney	
Chief Deputy District Attorney	1
Deputy District Attorney I/II	2
Deputy District Attorney III	7
District Attorney	1
District Attorney Investigator	3
Legal Office Assistant I/II	3
Legal Services Supervisor	1
TOTAL:	18

Emergency Services	
See County Administrator Allocation	
TOTAL:	0

Health & Human Services	
Accounting Assistant I/II	3
Accounting Specialist	2
Accounting Technician	3
Administration and Accounting Supervisor	2
Administrative Analyst - Health & Human Services	5
Administrative Technician	6
Appeals Specialist	1
CCS Case Manager	1
Deputy Director of Health & Human Services	2
Director of Health & Human Services	1
Director of Nurses	1
Eligibility Supervisor	15
Eligibility Technician I/II	76
Employment and Training Specialist I/II	6
Epidemiologist	1
Executive Assistant	1
Family Nurse Practitioner	1
Finance & Administrative Supervisor	2
First 5 Yuba Commission Executive Director	1
Fiscal Analyst	2
SUB TOTAL:	132

Health & Human Services (Continued)	
Health & Human Services Aide	2
Health & Human Services Program Manager	7
Health Administrator	1
Health Education Specialist I/II	2
Health Officer	1
Health Program Coordinator	2
Legal Office Assistant I/II	2
Office Assistant I/II	16
Office Specialist	14
Physical Therapist	1
Program Aide	10
Program Assistant	2
Program Specialist	5
Public Health Nurse I/II	12
Public Health Nurse III	2
Registered Nurse	1
Senior Accounting Technician	3
Senior Eligibility Technician	17
Social Worker I (EMPLOY)	23
Social Worker I/II (AS)	5
Social Worker II (EMPLOY)	7
Social Worker III (AS)	2
Social Worker III/IV (AS)	2
Social Worker III/IV (CWS)	24
Social Worker Supervisor (AS)	2
Social Worker Supervisor (CWS)	5
Social Worker Supervisor (EMPLOY)	6
Supervising Legal Office Assistant	1
Supervising Public Health Nurse	3
Supervising Welfare Fraud Investigator	1
Supply/Mail Clerk I/II	2
Support Services Supervisor	2
Veterans' Services Officer	1
Veterans' Services Representative	2
Welfare Fraud Investigator	2
TOTAL:	322

Human Resources	
Assistant Human Resources Analyst	1
Human Resources Analyst I/II - C	4
Human Resources Deputy Director	1
Human Resources Director	1
Human Resources Manager	1
Human Resources Technician - C	1
Human Resources Training Analyst I/II - C	1
Office Assistant I/II - C	1
TOTAL:	11

Information Technology	
Chief Information Officer	1
Information Technology Analyst I/II	8
Information Technology Manager	2
Information Technology Supervisor	2
Information Technology Support Technician I/II	3
Senior Accounting Technician	1
Senior Information Technology Analyst	5
TOTAL:	22

**COUNTY OF YUBA
POSITION ALLOCATION FOR FISCAL YEAR 2015- 2016**

(460-1015) Adopt... - 6 of 6

Library	
Administrative Service Officer I	1
Administration & Accounting Supervisor	1
Librarian	1
Senior Library Technician	1
TOTAL:	4

Probation	
Accounting Technician	2
Administrative Services Manager	1
Administrative Services Officer I	1
Administrative Technician	1
Assistant Chief Probation Officer	1
Chief Probation Officer	1
Clinical Social Worker I/II	4
Control Room Operator	3
Cook (1 PT .60 FTE)	4
Deputy Probation Officer I/II/III	22
Deputy Superintendent	2
Intervention Counselor I/II	5
Juvenile Corrections Officer I/II	26
Kitchen Supervisor	1
Legal Office Assistant I/II	1
Office Assistant I/II	5
Probation Aide	2
Probation Analyst	1
Probation Program Manager	2
Senior Deputy Probation Officer	9
Senior Substance Abuse Counselor I/II	1
Senior Victim Witness Advocate	1
Substance Abuse Counselor I/II	2
Superintendent of Institutions	1
Supervising Deputy Probation Officer	4
Supervising Juvenile Corrections Officer	7
Victim Witness Advocate I/II	1
Victim Witness Program Manager	1
TOTAL:	112

Public Guardian	
Deputy Public Guardian I/II	1
Public Guardian	1
TOTAL:	2

Sheriff - Coroner	
Accounting Technician	2
Animal Care Services Officer	3
Animal Care Technician	1
SUB TOTAL:	6

Sheriff - Coroner	
Commissary Assistant	2
Commissary Coordinator	1
Communication Dispatcher I/II	15
Community Services Officer	6
Cook	3
Corporal/Correctional Corporal	3
Correctional Facility LVN/Correctional Facility Registered Nurse	4
Correctional Facility Medical Assistant	5
Correctional Lieutenant	1
Correctional Maintenance Technician I/II	1
Correctional Officer	62
Corrections Food Services Supervisor	1
Corrections Recreation Aide	1
Crime Analyst	1
Deputy Sheriff/Deputy Sheriff Trainee	52
Detention Services Clerk	1
Evidence Technician	1
Executive Assistant	1
Executive Assistant to the Sheriff	1
Office Specialist	3
Physicians Assistant/Family Nurse Practitioner	1
Senior Accounting Technician	1
Sheriff - Coroner	1
Sheriff's Captain	3
Sheriff's Civil Services Associate	1
Sheriff's Communications & Records Supervisor	1
Sheriff's Financial Manager	1
Sheriff's Lieutenant Operations	3
Sheriff's Records Clerk	1
Sheriff's Sergeant - Corrections/Correctional Sergeant	6
Sheriff's Sergeant - Operations	10
Substance Abuse Counselor I/II	1
Supervising Animal Care Services Officer	1
Supervising Correctional Facility Registered Nurse	1
Undersheriff	1
TOTAL:	204

Treasurer / Tax Collector	
Accounting Assistant I/II	1
Accounting Specialist	1
Accounting Technician	1
Assistant Treasurer and Tax Collector	1
Chief Deputy Treasurer / Tax Collector	1
Senior Accounting Technician	2
Treasurer / Tax Collector	1
TOTAL:	8

YUBA COUNTY POSITION ALLOCATION GRAND TOTAL:

916



Yuba County Sheriff's Department

(461-1015) Appro... - 1 of 10

Steven L. Durfor, Sheriff-Coroner

215 5th Street, Suite 150, Marysville, CA 95901

Ph: 530-749-7777 • Fax: 530-741-6445

TO: YUBA COUNTY BOARD OF SUPERVISORS

FROM: STEVE DURFOR, SHERIFF/CORONER *J. Durfor*

DATE: OCTOBER 20, 2015

RE: AGREEMENT FOR PROFESSIONAL SERVICES: POLICE CANINE TRAINING SERVICES

Recommendation

Approve the agreement between the County of Yuba and D-Tac K9, LLC to provide canine training services for the Sheriff's Department.

Background

The Sheriff's Department is responsible for providing training for its canine and canine handler teams which meets or exceeds the level required by the Peace Officer's Standards and Training (POST). For the past four years the Sheriff has contracted with Vigilant Canine Services International, LLC; however, Vigilant recently provided notice that they were no longer going to provide canine training services. D-Tac employs the main trainers that had worked for Vigilant so the transition should be seamless. The components of the new contract are identical to the Vigilant contract with the exception of the fees for services which has increased and will be addressed in the fiscal impact section of this staff report.

Discussion

The proposed agreement provides for a minimum of sixteen (16) hours of canine training per month, per canine team, for one year. D-Tac will be responsible for ensuring our canines meet or exceed the level required by the Peace Officer's Standards and Training (POST) and provide expert testimony with regard to the use of and deployment of police service dogs.

Fiscal Impact

Funding for this training was included in the Sheriff's FY 2015-16 budget; however, the fee for canine training services is \$300 per month per canine team (1 canine, 1 handler, which is an increase of \$125 per month, per team, over the fee charged by Vigilant. The Sheriff's Department currently has three (3) K-9 teams which will result in total additional fees of

\$2,990 over the budgeted amount. We anticipate being able to absorb the increase in our professional services budget.

Committee Action

Due to the routine nature of this request, the item was placed directly on the Board of Supervisors agenda.

**COUNTY OF YUBA
PROFESSIONAL SERVICES AGREEMENT
POLICE CANINE TRAINING SERVICES**

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into by and between the COUNTY OF YUBA, a political subdivision of the state of California, through its YUBA COUNTY SHERIFF'S OFFICE, (hereinafter "COUNTY") and D-TAC K9, LLC (hereinafter "PROVIDER")

RECITALS

- A. Whereas the YUBA COUNTY SHERIFF'S OFFICE is in need of police canine training services for its canines; and
- B. Whereas PROVIDER desires and is qualified to provide police canine training services.

NOWHEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

1.1 PROVIDER will provide the COUNTY with a basic police service dog proficiency maintenance training program, which meets or exceeds P.O.S.T. standards. PROVIDER shall provide training in the following areas:

- Safety procedures
- K-9 First Aid
- Working obedience
- Tracking
- Area search tactics
- Building search tactics
- Handler protection
- High risk vehicle deployments
- Off leash control
- Controlled aggression and bite work
- Preparation of K-9 records and reports
- Problem solving / Decision making
- Scenario based training
- Other training and services as needed and mutually agreed upon

- 1.2 The PROVIDER will provide the COUNTY with a block of the instruction/training outlined above; providing a minimum of sixteen (16) hours of canine maintenance training per month for one year.
- 1.3 Expert Testimony: Upon request by the COUNTY, a qualified representative of PROVIDER will give expert testimony with regard to the use and deployment of police service dogs. This service will also include preparation for court cases as required.
- 1.4 The COUNTY shall provide the PROVIDER with a current copy of the Policy and Procedures as it relates to all K-9 related use. The PROVIDER agrees that the or his agents have no authority to create, modify or be a policy maker for the COUNTY.

2. **TIME OF PERFORMANCE.** Time is of the essence in the performance of services under this Agreement and timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. PROVIDER shall commence performance, and shall complete all required services no later than the dates set forth in this Agreement. Any services for which times for performance are not specified in this Agreement shall be commenced and completed by the PROVIDER in a reasonable prompt and timely manner based upon the circumstances and direction communicated to the PROVIDER by the COUNTY.

3. **INDEPENDENT CONTACTOR STATUS.** PROVIDER is an independent contractor and is solely responsible for all acts of its employees or agents, including any negligent acts or omissions. PROVIDER is not the COUNTY's employee and PROVIDER shall have no authority, express or implied, to act on behalf of the COUNTY as an agent, or to bind the COUNTY to any obligation whatsoever, unless the COUNTY provides prior written authorization to PROVIDER. PROVIDER is free to work for other entities while under contract with the COUNTY. PROVIDER and its agents or employees are not entitled to COUNTY benefits. The parties acknowledge that COUNTY shall not withhold from PROVIDER's compensation any funds for income tax, FICA, disability insurance, unemployment insurance or similar withholding and PROVIDER is solely responsible for the timely payment of all such its employees, agents, and subcontractors who might render services in connection with the Agreement. PROVIDER shall inform all persons who perform and services pursuant to this Agreement of the provisions of this section.

In the event that the PROVIDER's activities under this Agreement, or any of them, are found by any state or federal agency to be those of an employee rather than an independent contractor, PROVIDER agrees to indemnify COUNTY and hold COUNTY harmless for any damages, costs, or taxes imposed upon it pursuant to the Internal Revenue Code or state or federal taxing laws, including but not limited to any penalties and interest which COUNTY may be assessed by such state or federal agency for failing to withhold from the compensation paid to PROVIDER under this Agreement any amount which may have been required to be withheld by law.

4. CONFLICTS OF INTEREST. PROVIDER (including its employees or agents) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. In the event that the PROVIDER maintains or acquires such a conflicting interest, any contract (including this Agreement) involving PROVIDER's conflicting interest may be terminated by the COUNTY without prior notice.

5. COMPENSATION.

5.1 For services performed by the PROVIDER in accordance with this Agreement, the COUNTY shall pay PROVIDER the sum of \$300.00 per month per K-9 team trained. A K-9 team consists of one (1) canine and one (1) handler. If additional teams are added during this contract period, it shall be agreed upon by both parties.

5.2 In addition, the COUNTY will reimburse PROVIDER the cost of the required annual COUNTY OF YUBA Business License and for the reasonable travel and hotel costs of PROVIDER's representative for the purpose of the expert testimony set forth in section 1.3 of this agreement.

5.3 PROVIDER's billing rates shall cover all costs and expenses of every kind and nature of PROVIDER's performance of this Agreement as specified in Section 1.1 of this agreement (except those outlined in 5.2).

5.4 PROVIDER shall submit a monthly invoice to the COUNTY describing the services performed.

5.5 It is the responsibility of the COUNTY to have its personnel present during the scheduled blocks of instruction/training. If a contracted K-9 team is absent from training, the previously agreed fee is still due and payable. However, COUNTY shall not be responsible for the agreed fee if the PROVIDER is unable to be present for the scheduled training.

5.6 Within thirty (30) days after the COUNTY's receipt of invoice, COUNTY shall make payment to the PROVIDER based upon the services described on the invoice and approved by the COUNTY.

6. **TERMS AND TERMINATION.** The initial term on this agreement shall be for one year beginning as of the date it has been signed by both parties. The term of this Agreement shall be automatically renewed for two additional one-year terms at the end of the initial term, under the same terms and conditions unless either party gives 30 days written notice not to renew. Notwithstanding the foregoing, the COUNTY may terminate this Agreement for any reason by giving ten (10) days written notice to PROVIDER. Upon termination, PROVIDER shall give the COUNTY all the original documents, including preliminary drafts and supporting documents, prepared by the PROVIDER for this Agreement. The COUNTY shall pay PROVIDER for all services satisfactorily performed in accordance with this Agreement, through the date of termination.

7. **OWNERSHIP OF WORK.** All original documents prepared by PROVIDER for this Agreement, whether complete or in progress, are the property of the COUNTY, and shall be given to the COUNTY at the completion of PROVIDER's services, or upon demand from the COUNTY. No such documents shall be revealed or made available by PROVIDER to any third party without the prior written consent of the COUNTY.

8. **INDEMNIFICATION.** PROVIDER shall indemnify, defend and hold harmless the COUNTY, the County's Board of Supervisors, its elected officials, officers, agents, volunteers, and employees from and against any and all claims, demands, damages, liabilities, costs and expenses (including court costs and attorney's fees) resulting from and arising out of PROVIDER's performance of services under this agreement.

9. **BUSINESS LICENSE.** Prior to the commencement of any work under this agreement, PROVIDER shall obtain a COUNTY OF YUBA Business License, if necessary.

10. **INSURANCE.**

- 10.1 General. PROVIDER shall, throughout the duration of this Agreement, maintain at its own expense insurance to cover PROVIDER, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.
- 10.2 Commercial General Liability. Per Occurrence coverage shall be maintained in an amount not less than \$2,000,000 general aggregate and \$1,000,000 per occurrence for general liability, bodily injury, and property damage.
- 10.3 Automobile Liability. "Claims made" coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

- 10.4 **Worker's Compensation.** Coverage shall be maintained as required by the State of California and; Employer's Liability insurance on an "occurrence" basis with a limit of not less than \$1,000,000.
- 10.5 **Endorsements.** PROVIDER shall obtain endorsements to the automobile and commercial general liability with the following provisions:
 - 10.5.1 The COUNTY, the County's Board of Supervisor's, its elected officials, employees, agents, and volunteers shall be named as an additional insured
 - 10.5.2 For any claims related to this Agreement, PROVIDER's coverage shall be primary insurance with respect to the COUNTY. Any insurance maintained by the COUNTY shall not be excess of the PROVIDER's insurance and shall not contribute to it.
- 10.6 **Notice of Cancellation.** PROVIDER shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days prior written notice to the COUNTY should the policy be canceled before the expiration date. For purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 10.7 **Authorized Insurers.** All insurance companies providing coverage to PROVIDER shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 10.8 **Insurance Certificate.** PROVIDER shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the COUNTY, no later than five (5) days after the execution of this Agreement.
- 10.9 **Substitute Certificates.** No later than thirty (30) days prior to the policy expiration date of any insurance policy required by this Agreement, PROVIDER shall provide a substitute certificate of insurance.
- 10.10 **Provider's Obligation.** Maintenance of insurance by the PROVIDER as specified in this Agreement shall in no way be interpreted as relieving the PROVIDER of any responsibility whatsoever, and the PROVIDER may carry, at its own expense such additional insurance as it deems necessary.

11. **ASSIGNMENT AND DELIGATION.** This Agreement and any portion there shall not be assigned or transferred, nor shall any of the PROVIDER's duties be delegated, without the written consent of the COUNTY. Any attempt to assign or delegate this Agreement without the written consent of the COUNTY shall be void and no force and effect. Consent by the COUNTY to one assignment shall not be deemed to consent to any subsequent assignment.

12. **NOTICES.**

12.1 All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To COUNTY:

Yuba County S.O.
215 5th Street
Marysville, CA 95901

To PROVIDER:

D-TAC K9
215 Marsalla Drive
Folsom, CA 95630

12.2 Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) three working days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

13. **MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

14. **WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

15. **SEVERABILITY.** In the event any term of this Agreement is held invalid by a court of competent jurisdiction or if it is found to be a contradiction of any federal or state statute or regulation or COUNTY ordinance, the Agreement shall be construed as not containing that portion of term, and the remainder of this Agreement shall remain in full force and effect.

16. **JURISDICTION AND VENUE.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filled and heard in a court of competent jurisdiction in the COUNTY OF YUBA.

17. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed for this project. This Agreement supersedes all prior negotiations, representations, and oral or written agreements.

18. **COMPLIANCE WITH THE LAW.** PROVIDER shall comply with all local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

19. **STANDARD OF CARE.** Unless otherwise specified in this Agreement, the standard of care applicable to PROVIDER's services will be the degree of skill and diligence ordinarily used by reputable providers performing in the same or similar time and locality, and under the same or similar circumstances.

20. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this agreement on behalf of the respective legal entities of the PROVIDER and the COUNTY. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

21. **CONSTRUCTION.** This agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address or interpret any uncertainty.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

Yuba County Board Of Supervisors

Chair Date

Representative For D-TAC

Date 10/01/2015

Approved As To Form:

Angil P. Morris-Jones
Yuba County Counsel

Insurance Provisions Approved

Jill Abel,
Risk Manager

Attest: Donna Stottlemeyer
Yuba County Clerk of the Board

THIS PAGE INTENTIONALLY LEFT BLANK

Yuba County Employee Recognition Selected Winners 2015

Outstanding Leadership

Marisol Jimenez

Public Service Excellence

Jeff Olsen (co-award)
John Whidden (co-award)

Workforce Excellence

Ken Jones

Exceptional Teamwork

YubaWORKS Unit

Workforce Excellence

"Sustained-Effort"

Alicia DeWoody

THIS PAGE INTENTIONALLY LEFT BLANK

THE COUNTY OF YUBA
BOARD OF SUPERVISORS



— PROCLAMATION —

CHILDREN'S DISABILITIES AWARENESS MONTH
OCTOBER 2015

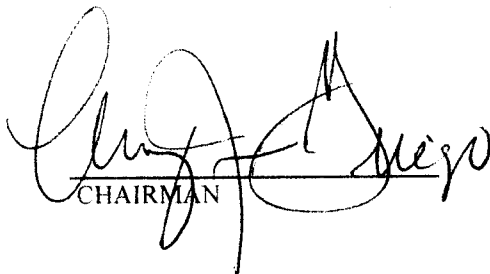
WHEREAS, many of our local families have children who are affected by developmental disabilities and other life-impacting disabilities, including individuals with intellectual disability, cerebral palsy, epilepsy, autism, seizure disorders, deaf/hard of hearing, speech/language impairments, visual impairments, emotional disability, traumatic brain injuries and other related conditions; and

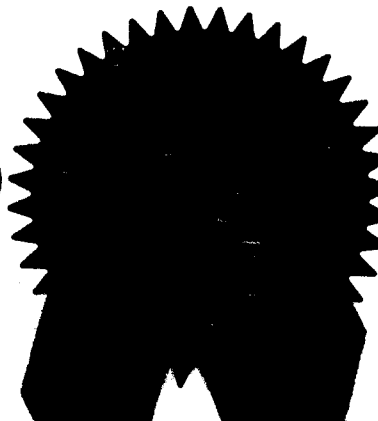
WHEREAS, family members, friends and the community at large all play a role in supporting people with disabilities as they pursue their dreams, to contribute to their community and to experience and participate in all aspects of community life; and

WHEREAS, local organizations, like Family SOUP, provide a starting point that provides support and empowerment by connecting parents of children who have special needs with information, resources and emotional support, to assist in navigating medical and educational services, and to help local children grow and develop, enjoy success at school, be active in the community and lead fulfilling lives; and

WHEREAS, the month of October is nationally recognized as Disabilities Awareness Month and provides an opportunity to change our misperceptions and rejecting stereotypes about those with disabilities and other life-impacting afflictions and can create expanded opportunities for all, including those with disabilities; and

NOW, THEREFORE BE IT PROCLAIMED, the Yuba County Board of Supervisors do hereby proclaim the month of October 2015 as Children's Disabilities Awareness Month in the County of Yuba, and encourage citizens to become better acquainted with early intervention services available to families with infants and toddlers born with developmental delays and disabilities, to learn skills to advocate for their children, to participate in support groups and educate themselves so families may take advantage of every opportunity to provide for the health and well-being of their children.


CHAIRMAN




CLERK OF THE BOARD

THIS PAGE INTENTIONALLY LEFT BLANK



Administrative Services Memorandum

To: Board of Supervisors
CC: Robert Bendorf, County Administrator
From: Doug McCoy, Director, Administrative Services *DM*
Date: October 20, 2014
Re: Elite Security

Recommendation

Approve the agreement with Elite Security to extend their agreement for another year.

Background

The current Elite agreement expires this month. After numerous discussions, it had been determined we extend Elite's engagement with the County for another year.

Discussion

We have taken the opportunity to update some of our requirements and reassess how we request our Security provider support all the activities they perform for us. That's all been incorporated into this new version. And by extending for a year, it gives Elite a chance to show they can handle the new requirements.

Fiscal Impact

We have also incorporated requested rate increases from Elite; seeing as they have not raised rates since 2013. Their costs have increased due to several regulatory changes to minimum wage, sick time and health care costs. Therefore the average base hourly rate will increase by 6.5%, and the extraordinary services (after hours, etc.) rates by 4%.

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT for a unarmed Security Guard Services ("Agreement") is made as of the Agreement Date set forth below by and between the County of Yuba, a political subdivision of the State of California ("the COUNTY"), and

California Security Services, Inc. dba Elite Universal Security
"CONTRACTOR"

In consideration of the Services to be rendered, the sums to be paid, and each and every covenant and condition contained herein, the parties hereto agree as follows:

OPERATIVE PROVISIONS

1. SERVICES.

The CONTRACTOR shall provide those services described in Attachment "A", Provision A-1. CONTRACTOR shall provide said services at the time, place and in the manner specified in Attachment "A", Provisions A-2 through A-3.

2. TERM.

Commencement Date: October 20, 2015

Termination Date: October 20, 2016

The term of this Agreement shall become effective October 20, 2015, and shall continue in force and effect for a period of one year. After this period, the term of this Agreement may be extended for two, one-year periods at the option of the County.

Notwithstanding the term set forth above, and unless this contract is terminated by either party prior to its termination date, the term of the Agreement may be automatically extended up to ninety (90) days. Any Notice of Termination during this automatic extension period shall be effective upon a thirty (30) day written notice to the other party. The purpose of this automatic extension is to allow for continuation of services, and to allow County time in which to complete a novation or renewal contract for CONTRACTOR AND COUNTY approval.

CONTRACTOR understands and agrees that there is no representation, implication, or understanding that the services provided by CONTRACTOR pursuant to this Agreement will be purchased by COUNTY under a new agreement following expiration or termination of this Agreement, and CONTRACTOR waives all rights or claims to notice or hearing respecting any failure to continue purchase of all or any such services from CONTRACTOR.

3. PAYMENT.

COUNTY shall pay CONTRACTOR for services rendered pursuant to this Agreement at the time and in the amount set forth in Attachment "B". The payment specified in Attachment "B" shall be the only payment made to CONTRACTOR for services rendered pursuant to this Agreement. CONTRACTOR shall submit all billings for said services to COUNTY in the manner specified in Attachment "B".

4. FACILITIES, EQUIPMENT AND OTHER MATERIALS AND OBLIGATIONS OF COUNTY.

CONTRACTOR shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement, unless an exception to this requirement is provided in Attachment "A", Provision A-4.

5. ADDITIONAL PROVISIONS.

Those additional provisions unique to this Agreement are set forth in Attachment "C".

6. GENERAL PROVISIONS.

The general provisions set forth in Attachment "D" are part of this Agreement. Any inconsistency between said general provisions and any other terms or conditions of this Agreement shall be controlled by the other term or condition insofar as it is inconsistent with the general provisions.

7. DESIGNATED REPRESENTATIVES.

The COUNTY'S Purchasing Agent is the representative of the COUNTY and will administer this Agreement for the COUNTY. The COUNTY'S Board Chair is the authorized signer for the COUNTY. Monty Hecker, President, is the authorized representative for CONTRACTOR. Changes in designated representatives shall occur only by advance written notice to the other party.

8. ATTACHMENTS.

All attachments referred to herein are attached hereto and by this reference incorporated herein. Attachments include:

- Attachment A – Scope of Work
- Attachment B – Payment
- Attachment C – Other Terms
- Attachment D – General Provisions
- Attachment E – Insurance Requirements
- Attachment F – Board of Supervisor's Agenda for 2015
- Attachment G – Meeting Request and Cancellation Form Samples

9. **TERMINATION.** COUNTY and CONTRACTOR shall each have the right to terminate this Agreement upon ten (30) days written notice to the other party.

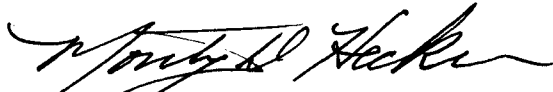
IN WITNESS WHEREOF, the parties hereto have executed this

Agreement on _____, 2015.

"COUNTY"
COUNTY OF YUBA

"CONTRACTOR"
CALIFORNIA SECURITY SERVICES, INC.
DBA ELITE UNIVERSAL SECURITY


Mary Jane Griego,
Board Chair


Monty Hecker,
President

INSURANCE PROVISIONS
APPROVED

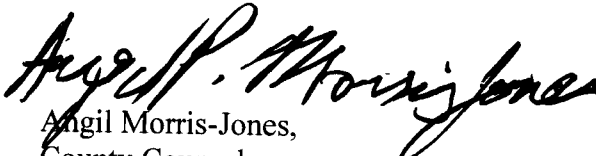
REVIEWED & RECOMMEND FOR APPROVAL
ADMINISTRATIVE SERVICES

Jill Abel,
Risk Manager


Doug McCoy,
Purchasing Agent

APPROVED AS TO FORM:
COUNTY COUNSEL

ATTEST:
CLERK OF THE BOARD


Angil Morris-Jones,
County Counsel

Donna Stottlemeyer,
Clerk of the Board of Supervisors

COUNTY OF YUBA

California Security Services, Inc. dba Elite Universal Security – Countywide Security

ATTACHMENT A**SCOPE OF WORK****A.1 SCOPE OF SERVICES AND DUTIES.**

The hours enumerated below are not guaranteed but represent the COUNTY'S best estimate of the level of services identified at the five facilities (6 work sites to include Courthouse, Superior Court Annex, Government Center, Packard Health and Human Services, Packard Child Support Services, and Packard Peach Tree Clinic). Except for brief rest room breaks, posts shall be staffed continually to the extent indicated herein. Requirements for substitute guards for relief periods, breaks, lunch periods, training, sickness, etc. are not reflected in the hour estimates that follow. CONTRACTOR is solely responsible for determining and providing these substitute personnel as needed. COUNTY will not allow any variance in compensation to allow for such continuous staffing requirement. Accordingly, the determination of total hour requirements for the performance of all services herein specified is the sole responsibility of the CONTRACTOR.

A.1.1. Yuba County Courthouse. CONTRACTOR is to provide security guard services for the Courthouse located at 215 Fifth Street, Marysville, as directed by the Yuba County Sheriff or his/her designee.

1.1.a. Normal Work Day: Two guards during hours of 7:30am to 5:30pm, Monday through Friday, less Court holidays.

1.1.b. Scheduled evening public meetings, less holidays.

1.1.c. Non-scheduled evening and weekend requirements: It may be necessary to provide guard services outside the normal work day or scheduled evening meetings for special events or in the event of an emergency.

1.1.d. Ensure all incoming persons pass through the metal detector and that hand-carried items are screened by the X-ray machine (provided by COUNTY) to prevent introduction of weapons into the Courthouse. Weapons include any firearm, knife, blade, cutting, or stabbing instrument.

1.1.e. Before opening and after closing the lobby entrance, check the building for contraband, unauthorized persons and the integrity of exterior door locks.

1.1.f. Additional services may be required at the discretion of the Point of Contact as indicated in C.8.2.

A.1.2. Superior Court Annex. CONTRACTOR is to provide security guard services for the Superior Court Annex located at 120 Fifth Street, Marysville, as directed by the Presiding Judge of the Yuba County Superior Court or his/her designee.

1.2.a. Normal Work Day: One guard during the hours of 8:00 am to noon and 1:00 pm to 5:00 pm, Monday through Friday, less court holidays.

1.2.b. Scheduled evening meetings: Monday during the hours of 6:00pm to 9:00pm and Wednesday between the hours of 6:00 pm and 8:30 pm, less court holidays.

- 1.2.c. Ensure all incoming persons and hand-carried items are screened by hand-held metal detectors to prevent the introduction of weapons into the Annex.
- 1.2.d. At the time of opening and immediately before closing, check the building for contraband, and the status of exterior door locks.
- 1.2.e. Additional services may be required at the discretion of the Point of Contact as indicated in C.8.2.

A.1.3. Yuba County Government Center. CONTRACTOR is to provide security guard services for the Yuba County Government Center located at 915 Eighth Street Marysville, as directed by the Director of Administrative Services or his/her designee. Security services shall be provided as follows:

1. At evening Board Meetings generally occurring on the first Tuesday of the month at 6:00 p.m. according to the Board Agenda in Attachment F. COUNTY will provide updated Board Calendars as necessary and with the new calendar year.
Duration: Approx. 3 hours
 2. LAFCO Meetings the 1st Wednesday of the month
Duration: Approx. 3 hours beginning at 5:00pm
 3. Planning Commission Meetings the 3rd Wednesday of the month
Duration: Approx. 3 hours beginning at 5:00pm
 4. Additional Planning Commission Meetings as needed the 4th Wednesday of the month
Duration: Approx. 3 hours beginning at 5:00pm
 5. Fish and Game Commission Meetings the 1st Thursday of the month
Duration: Approx. 1 hour beginning at 5:00pm;
Concurrent with Community Services Commission also on the 1st Thursday of the month beginning at 5:30 p.m.
 6. Regional Waste Management Authority Meetings the 3rd Thursday of the month
Duration: Approx. 1 hour beginning at 5:00pm
- a. In addition to the meetings above, daily interior and exterior door checks, closing the exterior gated area, as well as clearing the building (including bathrooms and conference rooms) of any unauthorized persons should be done every evening at approximately 5:30pm or at the conclusion of an evening meeting.
 - b. Two visits by the mobile patrol each weekday evening / overnight. Any suspicious behavior will be documented and reported. Documentation to include a vehicle license number, name/description of the individual, or other identifying information. Local law enforcement shall be called as deemed appropriate by officer.
 - c. Additional services may be required based upon demand and at the discretion of the Point of Contact indicated in C.8.2; and will be submitted on a meeting request form. A sample of this form is included as Attachment H.

A.1.4. Packard Building, Department of Health and Human Services. CONTRACTOR is to provide unarmed security services for the Social Services Division of the Department of

Health and Human Services located at 5730 Packard Avenue, Marysville. An unarmed guard will be provided 24 hours a day, seven days a week.

1.4.a. One unarmed guard will be provided between the hours of 7:30am and 5:30pm, Monday through Friday, except designated County holidays, the guard will be posted inside the lobby, roaming as needed.

1.4.b. Standing/Patrolling guard will be required after hours between the hours of 5:30pm and 7:30am and twenty-four hours a day on weekends and designated County holidays. Guard is to secure doors and building. These guard hours will be shared by Health and Human Services, Department of Child Support Services and Peach Tree Clinic.

1.4.c. Additional services may be required at the discretion of the Point of Contact as indicated in C.8.2.

1.4.d. Guard to be posted at the door between 7:30am and 8:00am and between 5:00pm and 5:30pm.

A.1.5. Packard Building, Department of Child Support Services. CONTRACTOR is to provide unarmed security services for the Department of Child Support Services located at 5730 Packard Avenue, Marysville. One unarmed guard will be provided during administrative hearings in Department Six of Superior Court, as needed.

1.5.a. Hours for administrative hearings in the department or Department Six of the Superior Court Annex, as necessary

1.5.b. Shared Standing/Patrolling Guard as indicated in A.1.5.

1.5.c. Additional services may be required at the discretion of the Point of Contact as indicated in C.8.2.

A.1.6. Services Required at ALL Locations.

1.6.a. Prevent, report, and investigate potential criminal activity, any disorderly conduct, or any suspicious behavior which would cause harm to personnel or loss of property. Request law enforcement back-up as needed.

1.6.b. Assist visitors to the facility in locating departments and offices, both within the facility and elsewhere in the County.

1.6.c. In the event of an emergency, assist responsible County officials and the public in orderly evacuation of the facility.

1.6.d. Conduct periodic public patrols throughout the facility as specified by the facility Point of Contact as indicated in C.8.2 or his/her designee to ensure the safety of persons and protection of property in the facility

1.6.e. Respond to intrusion alarms from our alarm service company.

1.6.f. Perform such other functions as may be necessary in the event of situations or occurrences, such as civil disturbances, attempts to commit sabotage, or other criminal acts adversely affecting the security and safety of the County, its employees, property and general public lawfully in the facility.

1.6.g. Maintain an Activity Log that documents both routine (e.g. time reporting for duty, relief guards, supervisory visits, patrol completion, opening and securing of building) and non-routine (e.g. calls for back-up or assistance, persons denied

access to the facility, weapons detected, first aid emergencies, suspicious or unusual behavior) events. The Log shall be neatly maintained, include all the pertinent information (license #, description, etc.) and a computer generated copy will be provided to the applicable Point of Contact as indicated in C.8.2 daily.

1.6.h. Computers that are accessible at the security desks may be used for the security officers reporting.

1.6.i. Calls from COUNTY contracted alarm service will be made to CONTRACTOR. CONTRACTOR is to dispatch as appropriate and call contact the appropriate COUNTY staff as indicated on the Emergency Contact List, to be provided after contract execution.

1.6.j. CONTRACTOR will ensure that each individual guard's work hours for services outlined in Attachment A, Scope of Work will not include any overtime and will remain within 40 hours a week, 8 hours per day for each facility. If an individual guard's schedule exceeds this 40 hours a week, 8 hours per day requirement, COUNTY will only be responsible for paying at the standard guard rate as specified in B.1.1.

A.2. TIME SERVICES RENDERED.

The services will be provided above are to be rendered during the times specified in A.1 above and as required to support evening meetings at the Courthouse, Annex, and Government Center. Services shall also be provided as need and directed by the Point of Contracts (POC's) for each location. POC's are indicated in Attachment C.8.2.

A.3. MANNER SERVICES ARE TO BE PERFORMED.

As an independent CONTRACTOR, CONTRACTOR shall be responsible for providing services and fulfilling obligations hereunder in a professional manner. COUNTY shall not control the manner of performance.

A.4. FACILITIES FURNISHED BY COUNTY.

CONTRACTOR shall, at his/her sole cost and expense, furnish all materials, equipment, and other materials which may be required for furnishing services pursuant to this Agreement, except for the X-ray machines/metal detectors located at the Yuba County Courthouse and Yuba County Government Center. COUNTY shall provide access to COUNTY computers that are available for CONTRACTOR use.

COUNTY OF YUBA
California Security Services, Inc. dba Elite Universal Security – Countywide Security

ATTACHMENT B

PAYMENT

COUNTY shall pay CONTRACTOR as follows:

B.1 BASE CONTRACT FEE.

B.1.1 COUNTY shall pay CONTRACTOR a contract fee not to exceed Fourteen Dollars and Seventy-Five cents (\$14.75) per guard per hour regular rate for all services as outlined in Attachment A, Scope of Work.

B.1.2 COUNTY shall pay CONTRACTOR a contract fee not to exceed Sixteen Dollars and Twenty Eight cents (\$16.28) per guard per hour overtime/additional guard rate for services not detailed in this contract in Attachment A, Scope of Work. COUNTY must be notified in advance of such overtime work being conducted, if time permits. Overtime for the purposes of this contract is defined as work conducted by an individual guard that would require the guard's work hours to exceed 40 hours a week, or 8 hours per day AND is a result of a request from the COUNTY for a meeting with more than 8 hours' notice. If notice is less than 8 hours, the Emergency Call-Out rate applies.

B.1.3 Twenty-Four Dollars and Twenty-Six cents (\$24.26) per guard per hour for Emergency Call-Outs on evening/weekend/holidays for services not detailed in this contract in Attachment A, Scope of Work. Emergency Call-Outs for the purpose of this contract is a request from an authorized COUNTY Point of Contact or a representative from our alarm service provider that is made to the CONTRACTOR in response to an emergency where security needs to be deployed immediately with less than 8 hours' notice.

B.1.4 COUNTY shall pay CONTRACTOR a contract fee not to exceed Sixteen Dollars and Twenty-Eight cents (\$16.28) per guard per hour for mobile patrol. CONTRACTOR will provide two (2) mobile patrol checks per site per night at no charge to the COUNTY.

B.1.5 CONTRACTOR shall submit requests for payment to each responsible Point of Contact as indicated in C.8.2 or designee weekly following provision of services. Each request for payment shall contain details of the number of hours worked and the hourly rate per guard for each location. A monthly statement of costs for all facilities shall be provided to the COUNTY Purchasing Agent by the fifth of each month following the provision of services.

B.2 TRAVEL COSTS. COUNTY shall not pay CONTRACTOR for meals, lodging or other travel costs not included in this Agreement unless said costs are approved in advance by the COUNTY Purchasing Agent and then COUNTY shall pay CONTRACTOR per diem rates in effect on the date of invoice upon presentation of invoices.

B.3 AUTHORIZATION REQUIRED. Services performed by CONTRACTOR and not authorized in this Agreement shall not be paid for by COUNTY. Payment for additional services shall be made to CONTRACTOR by COUNTY if, and only if, this Agreement is amended by formal written agreement signed by both parties in advance of performing additional services.

COUNTY OF YUBA
California Security Services, Inc. dba Elite Universal Security – Countywide Security

ATTACHMENT C

OTHER TERMS

C.1 FUNDING. CONTRACTOR and COUNTY agree that this Agreement will be null, void and not enforceable if all or part of the funds secured by COUNTY for the purposes of this Agreement are not made available to COUNTY. If this provision is invoked, COUNTY shall be liable for work already completed by CONTRACTOR at contracted rates.

C.2 FORCE MAJEURE. Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

C.3 LAW, POLICY AND PROCEDURES, LICENSES, AND CERTIFICATES.
CONTRACTOR agrees to administer this Agreement in accordance with all applicable local, county, state, and federal laws, rules, and regulations applicable to their operations. CONTRACTOR shall further comply with all laws including, but not limited to, those relevant to wages and hours or employment, occupational safety, fire safety, health, sanitation standards and directives, guidelines, and manuals related to this Agreement. All issues shall be resolved using reasonable administrative practices and judgment. CONTRACTOR shall keep in effect all licenses, permits, notices, and certificates required by law and by this Agreement.

C.4 RECORDS. CONTRACTOR agrees to maintain and preserve, and to be subject to examination and audit for a period of three (3) years after termination of agreement to the COUNTY'S Auditor and/or to any duly authorized fiscal agent of the COUNTY, any books, documents, papers, and records of CONTRACTOR which are relevant to this Agreement for the purpose of making an audit, or an examination, or for taking excerpts and transcriptions.

C.5 GENERAL REQUIREMENTS. CONTRACTOR shall furnish all labor, uniforms, badges, materials, equipment, transportation, supervision and management, unless otherwise specified herein, required to provide security guard services in accordance with all terms and conditions of this specification.

C.6 BILLING. CONTRACTOR will submit itemized monthly statements to the Purchasing Agent. Separate invoices will be prepared weekly for the Courthouse, Superior Court Annex, One Stop Center, Government Center, Department of Health and Human Services and the Department of Child Support Services. The County reserves the right to inspect and audit CONTRACTOR'S billing procedures and records.

C.7 TERMINATION OF CONTRACT.

C.7.1 In the event of a breach of contract by CONTRACTOR, or in the event that CONTRACTOR's actions compromise the integrity or security of the COUNTY, its employees or property, COUNTY reserves the right to immediately terminate the contract.

C.7.2 Under normal circumstances CONTRACTOR shall be given written notice by COUNTY of any failure to perform as specified in the contract. CONTRACTOR will then be given one week to correct the specified deficiencies. Failure to perform or continued non-cooperation on the part of CONTRACTOR may be deemed grounds for termination of this contract upon 48 hours written notice.

C.7.3 COUNTY reserves the right to cancel any contract entered into hereby upon a 30 calendar day written notice to CONTRACTOR.

C.8 CONTRACT ADMINISTRATION.

C.8.1 The Director of Administrative Services or his/her representative is the designated Contracting Officer and is the only COUNTY official authorized to make any changes to this contract.

Department of Administrative Services
County of Yuba
Attn: Purchasing Agent
915 8th Street, Suite 119
Marysville, CA 95901
Telephone: 530-749-7880

C.8.2 The COUNTY has designated the following individuals as Points of Contact:

Yuba County Government Center
915 8th Street, Suite 119
Marysville, CA 95901
POC: Andrea Armstrong or Doug McCoy
Telephone: 530-749-7880

Courthouse
Sheriff's Office
215 5th Street
Marysville, CA 95901
POC: Captain Damon Gill
Telephone: 530-749-7751

Superior Court Annex
Superior Courts
215 5th Street
Marysville, CA 95901
POC: Steve Konishi
Telephone: 530-749-7610

Packard Avenue – HHS
Department of Health and Human Services
5730 Packard Avenue
Marysville, CA 95901
POC: Erma Thurman
Telephone: 530-749-6356

Packard Avenue – Child Support
Child Support Services Department
5730 Packard Avenue
Marysville, CA 95901
POC: Tina Taylor
Telephone: 530-749-6023
Alternate POC: Kathy Brown
Telephone: 530-749-6035 & 530-743-0759

C.8.3 The Points of Contact may attend CONTRACTOR performance evaluation meetings and are designated to receive and approve CONTRACTOR'S invoices for payment. The Points of Contact are not authorized to change any terms and conditions of the contract. The COUNTY'S Purchasing Agent shall coordinate the COUNTY'S contract administration functions, monitor the CONTRACTOR'S performance to ensure compliance with the terms and conditions of the contract, audit and inspect CONTRACTOR'S record and services, and provide other technical guidance as required. Changes to the scope of work will be made only by the Board of Supervisors and/or Purchasing Agent issuing properly executed change order modifications.

C.9 CONTRACTOR QUALIFICATIONS.

- C.9.1** Licensed by the State of California as a private patrol operator.
- C.9.2** Maintain a manned operations/dispatch center with radio communications to assigned guards during all times guards are on duty. Provide a supervisor on immediate standby to respond to calls for assistance or inquiries from guards.

C.10 SECURITY GUARD QUALIFICATIONS.

- C.10.1** Must be a high school graduate or possess a GED certificate.
- C.10.2** Must be CPR certified.
- C.10.3** Must be certified and licensed by the California Department of Consumer Affairs, Bureau of Security and Investigative Services.
- C.10.4** Must be in physical condition sufficient to fully satisfy the demands of security services per this specification.
- C.10.5** Must be able to speak English clearly and distinctly, to hear a normal speaking voice and to write legibly.
- C.10.6** Security Guards must not have any of the following:
 - C.10.6.1** Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving violence, weapons, theft, robbery, burglary, embezzlement, dishonesty, moral turpitude, drugs (excluding misdemeanor marijuana convictions), or sexual activity (for a list of crimes constituting moral turpitude, please see C.10.8)
 - C.10.6.2** Any conviction or charge pending court disposition involving a serious felony which is listed in Penal Code section 1192.7(c) or any violent felony which is listed in Penal Code section 667.5(c).
 - C.10.6.3** Any conviction or charge pending court disposition with respect to felonies or misdemeanors contributing to the delinquency of a minor.
 - C.10.6.4** Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving mob action (a.k.a. gang activity).
 - C.10.6.5** Any conviction or charge pending court disposition with respect to felonies or misdemeanors involving any crime (other than a minor traffic violation) not included in paragraphs 1 through 4, above, for which the

Administrative Office of the Court's Emergency & Response Unit ("ERS") has not provided a written exemption for that conviction or pending charge.

C.10.6.6 Outstanding bench warrant.

C.10.6.7 Failure to appear in court within six (6) months.

C.10.7 In order to obtain a written exemption with respect to subsection C.10.6, above, the CONTRACTOR must submit all relevant information relating to the conviction or pending charge (e.g. type of offense, date of conviction, and sentence) to the Senior Manager of ERS. The CONTRACTOR shall not include the name of the employee with this information. After review of the submitted information, the Senior Manager of ERS will notify the COUNTY AND CONTRACTOR in writing if an exemption for that conviction or pending charge will be provided by the AOC.

For purposes of these criteria, "conviction" includes a verdict of guilty, a plea of guilty, a plea of *nolo contendere*, or a forfeiture of bail in municipal, superior, or federal court regardless of whether sentence is imposed by the court.

C.10.8 The appellate courts have determined that the following crimes are crimes of moral turpitude:

- a. Property Crimes. Arson; auto theft; attempted auto theft; burglary (any degree); attempted burglary; embezzlement; forgery; grand theft; receiving stolen property; theft; and vandalism (felony).
- b. Assaultive Crimes. Assault by force likely to produce grievous bodily injury; assault with deadly weapon; assault with intent to murder; assault with intent to rape; battery of non-inmate by inmate; battery on peace officer; corporal injury to child; discharge a firearm; false imprisonment; robbery; shooting at inhabited dwelling; and spousal battery.
- c. Homicide. Murder; second degree murder; and voluntary manslaughter.
- d. Sex Crimes. Assault with intent to rape; indecent exposure; lewd act on child; pimping and pandering; rape; statutory rape; and sexual battery.
- e. Escape. Escape with or without violence; and evading a peace officer.
- f. Drug Crimes. Maintaining a drug house; possession of heroin for sale; possession of marijuana for sale; sale of drugs; and transportation of controlled substance.
- g. Weapons. Felon in possession of firearm; possession or conspiracy to possess illegal firearm; and possession of deadly weapon with intent to assault.
- h. Other. Felony drunk driving; felony false imprisonment; felony hit and run; kidnapping; terrorist threat; bribery; extortion; and perjury.

C.10.9 Educational/Training Requirements.

- a. Satisfactorily completion of the eight-hour course of training in the exercise of the power of arrest as required by subdivision (a) of State of California Business and Professions Code Section 7583.6 and Section 7583.7.
- b. Within thirty days of being assigned to duty under this Agreement, each security guard shall have satisfactorily completed an additional sixteen hours of training in security officer skills required by subdivision (b) of Section 7583.6 of the Business and Professions Code.
- c. Within six months of being assigned to duty under this Agreement, each security guard shall have satisfactorily completed sixteen hours of training in addition to that training required by subdivisions (a) and (b) above, for satisfactory completion of a total of forty hours of training.

C.11 PERSONNEL/SECURITY CLEARANCE. Upon award of contract, Contractor shall immediately provide to the Purchasing Agent a list of prospective guards to be assigned to each site prior to the start of service. That list shall include the following information on each prospective employee:

C.11.1 Full legal name and any aliases

C.11.2 Date of Birth

C.11.3 California Driver's License number

C.11.4 Current residence address

C.11.5 Current residence telephone number (or cellular phone if residence number not available)

C.11.6 Copy of the permanent (not temporary) individual State Guard License (Guard Card)

C.11.7 Department of Motor Vehicles driving record

C.11.8 Copy of current CPR training card and certificate

C.11.9 CONTRACTOR shall comply with all COUNTY facility security requirements in effect during the contract period and any extension. CONTRACTOR personnel assigned to perform services pursuant to this agreement, are required to pass a background check and security clearance. Such background and security check can be conducted at the CONTRACTOR'S expense through the Yuba County Probation Department located at 215 5th Street in Marysville, CA. CONTRACTOR may conduct this security clearance at their own designated facility but must use the COUNTY'S

reporting ID number to conduct such investigation. This requirement shall apply to any new personnel due to employee turnover.

C.11.10 CONTRACTOR shall provide the same information for each of the prospective employees to be assigned to each COUNTY facility during the term of the contract. All CONTRACTOR'S employees assigned to each COUNTY site shall be subject to a background security investigation.

C.11.11 CONTRACTOR must obtain an identification badge from the Yuba County Administrative Services office located at 915 8th Street, Suite 119, Marysville, CA 95901. Each guard and supervisor that is assigned to a COUNTY site must have a badge. The COUNTY requires at least 24 hours advance notice prior to the initial assignment to the site. The identification badge shall be carried by each individual guard and supervisor while working at the COUNTY and should not be shared amongst guards. The identification badge shall be deemed property of the COUNTY and the misuse of same shall be grounds for permanent removal of the guard from the site and/or criminal prosecution. The COUNTY reserves the right to deny an identification badge to any guard.

C.12 DRUG AND ALCOHOL FREE WORKPLACE.

C.12.1 It is COUNTY policy that COUNTY employees and employees working under contract at COUNTY facilities:

C.12.2 Shall not be under the influence of alcohol or drugs while on duty.

C.12.3 Shall not possess alcohol or drugs while on COUNTY property or at work locations or in uniform.

C.12.4 Shall not sell or provide drugs or alcohol to any person while such employee is on duty.

C.12.5 Shall not have their ability to work impaired as a result of the use of alcohol or drugs when reporting for work.

C.12.6 All guards shall satisfactorily pass a drug and alcohol screening test at time of initial assignment and upon COUNTY'S request thereafter. The cost of the initial screening shall be paid by CONTRACTOR; subsequent COUNTY-requested screening of a previously screened guard shall be at COUNTY expense. Failure to pass such tests or to agree to submit to testing will result in immediate removal from assignment at COUNTY facilities.

C.12.7 Violation of any of the above actions will result in immediate removal of CONTRACTOR's employee from assignment at COUNTY facilities, and repeated offenses may result in termination of the contract.

C.13 TRAINING.

C.13.1 CONTRACTOR shall maintain training records for each employee. Training records shall document all training received, employee's qualifications, permits and certificates of completion. Such records shall be made available to COUNTY for inspection upon request.

C.13.2 CONTRACTOR shall assure that each security guard receives eight hours of annual practice and review required by subdivision (f) (1) of the State of California Business and Professions Code Section 7583.6.

C.13.3 Guards shall be trained in basic duties at the assigned facility before assuming any post. Such training shall include, but not be limited to, fundamentals of security and safety, building security, human relations and conflict management, crowd control, laws of arrest and who/when to call for backup or assistance, emergency evacuation plans and procedures, use of any special equipment, e.g. metal detector, X-ray machine, radios, etc., and all security, fire and life safety systems at the site, locking and unlocking procedures, location of all COUNTY offices and proper use of COUNTY telephone equipment.

C.13.4 It shall be the responsibility of CONTRACTOR, upon the awarding of the contract, to perform a physical inspection of the sites with the designated Points of Contact. CONTRACTOR shall then, in coordination with the Points of Contact, establish a written set of instructions for guards at each facility.

C.14 UNIFORMS AND GROOMING STANDARDS.

C.14.1 The uniform for guards will be trousers, shirt or blouse with tie, etc. as described and approved by the COUNTY. "Police style" uniforms will not be acceptable.

C.14.2 Guards shall be attired in a clean, neat appearing, well-fitted uniform bearing CONTRACTOR'S identification insignia, and shoes shall be shined and well maintained.

C.14.3 Uniforms, special clothing, equipment, insignias, badges and name tags shall be furnished by CONTRACTOR at no cost to COUNTY or CONTRACTOR'S employees.

C.14.4 Non-standard articles of clothing may not be worn with the guard uniform.

C.14.5 Worn, frayed, stained or torn uniforms shall be immediately replaced at CONTRACTOR'S expense, and CONTRACTOR shall provide laundering or dry cleaning of uniforms at no cost to the employee.

C.14.6 CONTRACTOR will provide a written statement of the grooming standards to which the guards will comply.

C.14.7 The COUNTY wishes to project a positive image and believes that the CONTRACTOR and its employees' appearance, attitude, courtesy and job knowledge are influential in creating such an image. No smoking, reading unauthorized material, eating, chewing of gum or tobacco, or grooming shall be permitted while guards are in public view. No personal telephone calls will be permitted except in an emergency, and guards may not engage in non-business conversations or fraternize with members of the public or COUNTY employees while on duty.

C.15 WEAPONS AND USE OF FORCE.

C.15.1 The use of weapons and/or force by guards assigned to any COUNTY site is strictly prohibited. Possession of weapons by guards on the site shall be grounds for immediate and permanent removal of the guard from COUNTY facilities, and repeated offenses may be grounds for termination of the contract. The use of force by a guard beyond that necessary for self-defense and/or the safety of others shall also be grounds for removal of the guard.

C.15.2 Guards shall have normal concern for their own physical safety and should take reasonable precautions not to place themselves in situations which would encourage violence or abuse against either themselves or other persons in the area. However, if threatened, guards may take all reasonable steps necessary to protect themselves and others from injury or harm.

C.15.3 CONTRACTOR shall assume full liability for any use of force by its employees and any other activities not within the best interests of COUNTY.

C.15.4 At CONTRACTOR'S option and with permission of the Point of Contact as indicated in C.8.2 (POC), pepper spray may be carried by guards who have been trained in its use. Liaison may also require the guards to be equipped with handcuffs and be fully trained in their proper use.

C.16 ARREST/DETAINMENT. COUNTY prohibits the use of arrest powers by CONTRACTOR'S employees. When necessary, the proper appropriate law enforcement shall be summoned. No force shall be used by CONTRACTOR'S employees except that are absolutely necessary for self-defense or protection of others in immediate danger. CONTRACTOR'S employees shall always be cooperative with authorized emergency personnel, and shall assist emergency personnel in the performance of their duties. CONTRACTOR'S employees shall surrender their authority to authorized emergency personnel. Contract guard powers of arrest are

no greater than those of a private citizen. CONTRACTOR shall assume full liability for any of its employees in the exercise of any police authority.

C.17 COMMUNICATIONS.

C.17.1 CONTRACTOR shall furnish portable radios/GPS enabled cellular phones/devices to guards to provide a means for immediate communications with CONTRACTOR'S operations/dispatch center. In addition, CONTRACTOR shall establish a method, (e.g. radio, cellular phone) whereby Point of Contact as indicated in C.8.2, or other designated COUNTY official, may immediately contact guard when on duty.

C.17.2 Where necessary, COUNTY will provide a telephone for use by the guard to summon assistance or conduct other official business in connection with the performance of duties.

C.18 SUPERVISION.

C.18.1 CONTRACTOR shall provide supervision of guards including a minimum of two unscheduled visits to each site weekly. Visits shall be noted in the Activity Log maintained at each site.

C.18.2 CONTRACTOR'S supervisory personnel shall be available to immediately respond to a guard's request for advice or assistance at all times the guard is on duty.

C.19 DISQUALIFICATION OF GUARD PERSONNEL.

C. 19.1 Disqualification of guard personnel will occur if a violation of any item indicated in section C.10 or subsection thereof at the time of initial employment and further subsequent employment by CONTRACTOR in any work performed under this contract. The arrest and/or conviction for any crime may be cause for reassignment of any of CONTRACTOR'S employees upon request of COUNTY.

C. 19.1 COUNTY reserves the right to require CONTRACTOR to remove any security personnel from duty and have them replaced when a guard's continued employment is deemed by the COUNTY'S Purchasing Agent or his/her designated representative to be contrary to the public interest or inconsistent with the best interests of COUNTY.

C.20 PERFORMANCE EVALUATION MEETINGS. CONTRACTOR'S representative shall meet with the Purchasing Agent, or his or her designee, and the Point of Contacts for each facility on a monthly basis during the first two months of the contract. Thereafter, meetings will be as often as necessary at the discretion of the COUNTY'S Purchasing Agent, but not less than quarterly. A mutual effort will be made to resolve all problems identified during the meetings. A written report of the meeting, prepared by

CONTRACTOR'S representative, shall be submitted to the COUNTY'S Purchasing Agent within 7 days of the meeting.

C.21 WORKERS COMPENSATION. CONTRACTOR will maintain in force and full effect Workers Compensation Insurance and will provide COUNTY with a copy of this certificate at contract execution and every renewal period thereafter.

C.22 CONTRACTOR VEHICLE. CONTRACTOR is to provide all items necessary to provide mobile patrol as necessary. This includes vehicle, fuel, GPS, monitoring devices, etc. COUNTY assumes no liability for any damage made to a CONTRACTOR vehicle by any act of nature, disaster, willful or accidental negligence.

C.23 INDEPENDENT CONTRACTORS. No independent contractors will be utilized in the performance of this contract.

C.24 ACCEPTANCE. All work performed and completed under the Agreement is subject to the acceptance of the COUNTY or its authorized representatives. Payment shall be made after inspection and approval by COUNTY. Failure by the CONTRACTOR to take corrective action within 24 hours after personal or telephonic notice by the COUNTY'S representative on items affecting essential use of the facility, safety or the preservation of property, and within ten days following written notice on other deficiencies, will result in the COUNTY taking whatever corrective action it deems necessary. All costs resulting from such action by the COUNTY will be claimed against CONTRACTOR.

C.25 CONFIDENTIALITY. CONTRACTOR must maintain compliance with confidentiality regulations. At no time shall CONTRACTOR'S employees, agents, or representatives in any manner, either directly or indirectly, use for personal benefit or divulge, disclose, or communicate in any manner, any information that is confidential to the COUNTY. CONTRACTOR and its employees, agents, and representatives shall protect such information and treat it as strictly confidential.

C.26 INTELLECTUAL PROPERTY. COUNTY shall have and retain all right, title, and interest in Intellectual Property in all plans specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, documents developed or modified under this Agreement.

COUNTY OF YUBA
California Security Services, Inc. dba Elite Universal Security – Countywide Security

ATTACHMENT D

GENERAL PROVISIONS

D.1 INDEPENDENT CONTRACTOR STATUS. At all times during the term of this Agreement, the following apply:

D.1.1 All acts of CONTRACTOR shall be performed as an independent CONTRACTOR and not as an agent, officer or employee of COUNTY. It is understood by both CONTRACTOR and COUNTY that this Agreement is by and between two independent parties and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

D.1.2 CONTRACTOR shall have no claim against COUNTY for employee rights or benefits, including, but not limited to, seniority, vacation time, vacation pay, sick leave, personal time off, overtime, medical, dental or hospital benefits, civil service protection, disability retirement benefits, paid holidays or other paid leaves of absence.

D.1.3 CONTRACTOR is solely obligated to pay all applicable taxes, deductions and other obligations, including, but not limited to, federal and state income taxes, withholding and Social Security taxes, unemployment and disability insurance and Workers' Compensation and Medi-Care payments.

D.1.4 As an independent CONTRACTOR, CONTRACTOR is not subject to the direction and control of COUNTY except as to the final result contracted for under this Agreement. COUNTY may not require CONTRACTOR to change its manner of doing business, but may require it to redirect its efforts to accomplish what it has agreed to do.

D.1.5 CONTRACTOR may provide services to others during the same period service is provided to COUNTY under this Agreement.

D.1.6 If in the performance of this Agreement any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision and control of CONTRACTOR. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the CONTRACTOR.

D.1.7 As an independent CONTRACTOR, CONTRACTOR hereby indemnifies and holds COUNTY harmless from any and all claims that may be made against COUNTY based on any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

D.2 LICENSES, PERMITS, ETC. CONTRACTOR represents and warrants to COUNTY that it has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONTRACTOR to practice its profession. CONTRACTOR represents and warrants to COUNTY that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONTRACTOR to practice its profession at the time the services are performed. Failure of the CONTRACTOR to comply with this provision shall authorize the COUNTY to immediately terminate this agreement.

D.3 TIME. CONTRACTOR shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of CONTRACTOR'S obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

D.4 INDEMNITY. CONTRACTOR shall defend, indemnify, and hold harmless COUNTY, its elected and appointed councils, boards, commissions, officers, agents, and employees from any liability for damage or claims for damage for personal injury, including death, as well as for property damage, which may arise from the intentional or negligent acts or omissions of CONTRACTOR in the performance of services rendered under this Agreement by CONTRACTOR, or any of CONTRACTOR'S officers, agents, employees, CONTRACTORS, or sub-CONTRACTORS.

D.5 CONTRACTOR NOT AGENT. Except as COUNTY may specify in writing, CONTRACTOR shall have no authority, express or implied, to act on behalf of COUNTY in any capacity whatsoever as an agent. CONTRACTOR shall have no authority, express or implied, pursuant to this Agreement to bind COUNTY to any obligation whatsoever.

D.6 ASSIGNMENT PROHIBITED. CONTRACTOR may not assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no legal effect.

D.7 PERSONNEL. CONTRACTOR shall assign only competent personnel to perform services pursuant to this Agreement. In the event that COUNTY, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONTRACTOR to perform services pursuant to this Agreement, CONTRACTOR shall remove any such person immediately upon receiving written notice from COUNTY of its desire for removal of such person or persons.

D.8 STANDARD OF PERFORMANCE. CONTRACTOR shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONTRACTOR is engaged. All products of whatsoever nature which CONTRACTOR delivers to COUNTY pursuant to this Agreement shall be prepared in a first class and workmanlike manner and shall conform to the standards or quality normally observed by a person practicing in CONTRACTOR'S profession.

D.9 POSSESSORY INTEREST. The parties to this Agreement recognize that certain rights to property may create a "possessory interest", as those words are used in the California Revenue and Taxation Code, §107. For all purposes of compliance by COUNTY with Section 107.6 of the California Revenue and Taxation Code, this recital shall be deemed full compliance by the COUNTY. All questions of initial determination of possessory interest and valuation of such interest, if any, shall be the responsibility of the COUNTY Assessor and the contracting parties hereto. A taxable possessory interest may be created by this contract; and if created, the party in whom such an interest is vested will be subject to the payment of property taxes levied on such an interest.

D.10 TAXES. CONTRACTOR hereby grants to the COUNTY the authority to deduct from any payments to CONTRACTOR any COUNTY imposed taxes, fines, penalties and related charges which are delinquent at the time such payments under this Agreement are due to CONTRACTOR.

D.11 TERMINATION. Upon termination of this Agreement as otherwise provided herein, CONTRACTOR shall immediately cease rendering service upon the termination date and the following shall apply:

D.11.1 CONTRACTOR shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any tangible thing and form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.

D.11.2 COUNTY shall have full ownership and control of all such writings or other communications delivered by CONTRACTOR pursuant to this Agreement.

D.11.3 COUNTY shall pay CONTRACTOR the reasonable value of services rendered by CONTRACTOR to the date of termination pursuant to this Agreement not to exceed the amount documented by CONTRACTOR and approved by COUNTY as work accomplished to date; provided, however, COUNTY shall not in any manner be liable for lost profits which might have been made by CONTRACTOR had CONTRACTOR completed the services required by this Agreement. In this regard, CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of the COUNTY is

necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of the COUNTY shall be final. The foregoing is cumulative and does not affect any right or remedy which COUNTY may have in law or equity.

CONTRACTOR may terminate its services under this Agreement upon thirty (30) days written notice to the COUNTY, without liability for damages, if CONTRACTOR is not compensated according to the provisions of the Agreement or upon any other material breach of the Agreement by COUNTY.

D.12 NON-DISCRIMINATION. Throughout the duration of this Agreement, CONTRACTOR shall not unlawfully discriminate against any employee of the CONTRACTOR or of the COUNTY or applicant for employment or for services or any member of the public because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sex or sexual orientation. CONTRACTOR shall ensure that in the provision of services under this Agreement, its employees and applicants for employment and any member of the public are free from such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900, et seq.). The applicable regulations of the Fair Employment Housing Commission implementing Government Code Section 12900, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONTRACTOR shall also abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONTRACTOR shall give written notice of its obligations under this clause to any labor agreement. CONTRACTOR shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

D.13 REHABILITATION ACT OF 1973/AMERICANS WITH DISABILITIES ACT OF 1990. In addition to application of the non-discrimination provision of this Agreement, above, CONTRACTOR agrees to comply with all provisions of section 504 et seq. of the Rehabilitation Act of 1973, and with all provisions of the Americans with Disabilities Act of 1990, and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts, pertaining to the prohibition of discrimination against qualified handicapped and disabled persons, in all programs or activities, as to employees or recipients of services.

D.14 OWNERSHIP OF INFORMATION. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of COUNTY, and CONTRACTOR agrees to deliver reproducible copies of such documents to COUNTY on completion of the services hereunder. The COUNTY agrees to indemnify and hold CONTRACTOR harmless from any claim arising out of reuse of the information for other than this project.

D.15 WAIVER. A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

D.16 COMPLETENESS OF INSTRUMENT. This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

D.17 SUPERSEDES PRIOR AGREEMENTS. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations, or agreements, written or oral, between the parties hereto.

D.18 CAPTIONS. The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

D.19 DEFINITIONS. Unless otherwise provided in this Agreement, or unless the context otherwise requires, the following definitions and rules of construction shall apply herein.

D.19.1 NUMBER AND GENDER. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

D.19.2 MANDATORY AND PERMISSIVE. "Shall" and "will" and "agrees" are mandatory. "May" is permissive.

D.20 TERM INCLUDES EXTENSIONS. All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

D.21 SUCCESSORS AND ASSIGNS. All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

D.22 MODIFICATION. No modification or waiver of any provision of this Agreement or its attachments shall be effective unless such waiver or modification shall be in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

D.23 COUNTERPARTS. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

D.24 OTHER DOCUMENTS. The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

D.25 PARTIAL INVALIDITY. If any term, covenant, condition or provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

D.26 JURISDICTION. It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a Court of competent jurisdiction in the COUNTY of Yuba, State of California.

D.27 CONTROLLING LAW. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

D.28 TIME IS OF THE ESSENCE. Time is of the essence of this Agreement and each covenant and term a condition herein.

D.29 AUTHORITY. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall have breached the terms or conditions of any other contract or agreement to which such party is obligated, which such breach would have a material effect hereon.

D.30 CONFLICT OF INTEREST. Neither a COUNTY employee whose position in COUNTY enables such employee to influence the award of this Agreement or any competing Agreement, nor a spouse or economic dependent of such employee, shall be employed in any capacity by CONTRACTOR herein, or have any other direct or indirect financial interest in this Agreement.

CONTRACTOR may be subject to the disclosure requirements of the COUNTY conflict of interest code if in a position to make decisions or influence decisions that could have an effect on the CONTRACTOR'S financial interest. The COUNTY Administrator shall determine in writing if

CONTRACTOR has been hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in the Yuba COUNTY Conflict of Interest Code.

D.31 NOTICES. All notices and demands of any kind which either party may require or desire to serve on the other in connection with this Agreement must be served in writing either by personal service or by registered or certified mail, return receipt requested, and shall be deposited in the United States Mail, with postage thereon fully prepaid, and addressed to the party so to be served as follows:

If to "COUNTY":

Department of Administrative Services
COUNTY of Yuba
Attn: Purchasing Agent
915 8th Street, Suite 119
Marysville, CA 95901

With a copy to:

COUNTY Counsel
COUNTY of Yuba
915 8th Street, Suite 111
Marysville, CA 95901

If to "CONTRACTOR":

Monty Hecker, President
California Security Services, Inc. dba Elite Universal Security
5548 Feather River Blvd.
Olivehurst, CA 95961

COUNTY OF YUBA
California Security Services, Inc. dba Elite Universal Security – Countywide Security

ATTACHMENT E

INSURANCE REQUIREMENTS

E.1 MINIMUM SCOPE OF INSURANCE. CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, his agents, representatives, employees or subCONTRACTORS. With respect to General Liability, Errors & Omissions, CONTRACTORS Pollution Liability and/or Asbestos Pollution Liability, coverage should be maintained for a minimum of five (5) years after contract completion. If CONTRACTOR fails to maintain the Insurance provided herein, COUNTY may secure such insurance and deduct the cost thereof from any funds owing to CONTRACTOR.

E.1.1 Coverage shall be at least as broad as:

- 1.1.1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01 or Claims Made Form CG 00 02).
 - 1.1.2. Insurance Services Office Form No. CA 00 01, covering Automobile Liability, Code 1 (any auto).
- 1.1.3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
- 1.1.4. CONTRACTORS Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions.

E.1.2 Minimum Limits of Insurance. CONTRACTOR shall maintain limits no less than:

- | | | |
|--|--|---|
| 1. General Liability:
(including operations, products and completed operations, as applicable.) | \$2,000,000 | Per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. |
| 2.
bodily injury and property | Automobile Liability: \$1,000,000 | Per occurrence for
damage. |

3.
California

Workers' Compensation:

As required by the State of

- | | | |
|---|--------------------|--|
| 4. Employer's Liability: | \$1,000,000 | Each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease. |
| 5. CONTRACTORS Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions: | \$1,000,000 | Each occurrence/ \$2,000,000 policy aggregate, including Errors & Omissions if professional services are included under contract. |

E.1.3 Deductible and Self Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. If possible, the Insurer shall reduce or eliminate such deductibles or self insured retentions as respects the COUNTY, its officers, officials, employees and volunteers; or the CONTRACTOR shall provide evidence satisfactory to the COUNTY guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

E.1.4 Other Insurance Provisions.

A. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The COUNTY, its officers, officials, employees and volunteers are to be covered as insured's with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONTRACTOR; and with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts or equipment furnished in connection with such work or operations; CONTRACTORS Pollution Liability and/or Asbestos Pollution. No policy shall contain an "Insured v. Insured" exclusion.
2. For any claims related to this project, the CONTRACTOR'S insurance coverage shall be primary insurance as respects the COUNTY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by the Insurer except after thirty (30) days prior written notice has been given to the COUNTY.

B. The Automobile Liability Policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by the CONTRACTOR pursuant to the contract. This coverage may also be provided on the CONTRACTORS Pollution Liability policy.

C. If General Liability, CONTRACTORS Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions coverage's are written on a claims-made form:

1. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the CONTRACTOR must purchase an extended period coverage for a minimum of five (5) years after completion of work.
4. A copy of the claims reporting requirements must be submitted to the COUNTY for review.
5. If the services involve lead-based paint or asbestos identification / remediation, the CONTRACTORS Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification / remediation, the CONTRACTORS Pollution Liability shall not contain a mold exclusion and definition of "Pollution" shall include microbial matter including mold.

E.2 ACCEPTABILITY OF INSURERS. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted. If CONTRACTORS Pollution Liability, Asbestos Pollution and/or Errors & Omissions coverage's are not available from an admitted insurer, the coverage may be written by a non-admitted insurance company. A non-admitted company should have an A.M. Best's rating of A:X or higher. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

E.3 VERIFICATION OF COVERAGE. CONTRACTOR shall furnish COUNTY with endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that Insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the COUNTY, unless the insurance company will not use the COUNTY'S form. All endorsements are to be received and approved by the COUNTY before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. As an alternative to the COUNTY'S forms, the CONTRACTOR'S insurer may provide complete copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

E.4 WAIVER OF SUBROGATION. CONTRACTOR hereby agrees to waive subrogation which any insurer of CONTRACTOR may acquire from vendor by virtue of the payment of any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the COUNTY for all work performed by the CONTRACTOR, its employees, agents and subCONTRACTORS.

E.5 SUBCONTRACTORS. CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

THIS PAGE INTENTIONALLY LEFT BLANK



Administrative Services Memorandum

To: Board of Supervisors
CC: Robert Bendorf, County Administrator
From: Doug McCoy, Director, Administrative Services *DM*
Date: October 20, 2015
Re: Phase 2 solar project

Recommendation

Approve the attached Resolution approving the form and authorizing the execution of certain lease financing documents in connection with the offering and sale of certificates of participation relating thereto to finance the costs of a clean renewable energy project and authorizing and directing certain actions with respect thereto

Background

On August 25, 2015, the Board of Supervisors ("Board") received a presentation from OpTerra Energy Services, Inc. ("OpTerra") regarding the proposed the Phase 2 solar photovoltaic energy system at the airport ("Project"), including the scope of the Project and update on the performance of the Project. Following the presentation, Capitol PFG, the County's independent financial advisor, presented funding options for implementing the Project.

Based on the presentations, the Board authorized execution of an energy services contract with OpTerra, and directed staff to implement the Project through the issuance of Clean Renewable Energy Bonds ("CREBs"). CREBs are taxable securities but allow the issuer to receive a federal subsidy equal to 70% of the debt service on the CREBs. The Board further determined that the CREBs be structured as 20 year Certificates of Participation (the "COPs"). While the County's General Fund is nominally obligated to make the debt service payments, it is expected that the federal subsidy and the energy savings produced by the Project will be a net zero payment obligation by the County.

Discussion

In keeping with the energy savings estimates presented to the Board on August 25th, the proposed CREBs, based on current interest rates, are expected to save the County

approximately \$165,000 a year during the financing period. This savings equates to a borrowing cost of approximately 2.36% net of the interest subsidy and current market conditions. All steps will be taken to maximize savings, including the acquisition of bond insurance should it be available and cost effective. There are no changes to the earlier estimates provided to the Board.

The resolution will authorize the County to borrow up to a legal maximum of \$5.8 million at a borrowing cost not to exceed 5.5%. The actual borrowing amount and rates are expected to be in line with the estimates, which are below the above legal maximum amounts. The resolution will also authorize the County to execute the following documents:

Form of Site and Facility Lease: The Site and Facility Lease between the County and the Yuba Public Facilities Corporation ("Corporation") specifies that the County will lease certain property, for a 20 year term in exchange for the transfer of the COP proceeds, of which approximately \$5.6 million.

The Form of Lease Agreement: The Lease Agreement defines the lease of the property back to the County in exchange for semi-annual debt service payments. Under an Assignment Agreement, the Corporation will assign all rights to receive lease payments to U.S. Bank National Association ("Trustee") for the benefit of the investors.

Form of Certificate Purchase Agreement: An Agreement between the County and Hilltop Securities, formerly Southwest Securities Inc., or its successor ("Underwriter"), allowing for the sale of the COPs.

Form of Preliminary Official Statement ("POS"): The COPs will be sold through a public offering using an offering document commonly referred to as a POS. The POS is prepared in accordance with industry standards. It contains important information about the County and the COPs being issued. The POS is considered preliminary because it is prepared prior to the sale and therefore omits pricing data. Following the sale of the COPs, the POS will be updated with pricing data and will be brought into the form of a Final Official Statement ("FOS").

Form of Continuing Disclosure Certificate: A Certificate that identifies the County's responsibilities with respect to providing annual and on-going disclosures to support the COPs.

Committee Action

As this related to a previous Board action, this has been brought directly to the Board for their review and action.

Financial Impact

All costs associated with the CREB will be paid from energy savings.

THIS PAGE INTENTIONALLY LEFT BLANK

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

RESOLUTION NO. _____

RESOLUTION APPROVING THE FORM)
AND AUTHORIZING THE EXECUTION)
OF CERTAIN LEASE FINANCING)
DOCUMENTS IN CONNECTION WITH)
THE OFFERING AND SALE OF)
CERTIFICATES OF PARTICIPATION)
RELATING THERETO TO FINANCE THE)
COSTS OF A CLEAN RENEWABLE)
ENERGY PROJECT AND AUTHORIZING)
AND DIRECTING CERTAIN ACTIONS)
WITH RESPECT THERETO)

WHEREAS, the County of Yuba (the County) has received approval from the Internal Revenue Service for the issuance of New Clean Renewable Energy Bonds (“CREBs”) under Section 54C(a) of the Internal Revenue Code of 1986, as amended (the “Code”), in the principal amount of \$5,485,000, with respect to the Clean Renewable Energy Project described below;

WHEREAS, the County, with the assistance of the County of Yuba Public Facilities Corporation (the “Corporation”), has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the “Project”), and to implement a lease financing for such purposes;

WHEREAS, it is in the public interest and for the public benefit that the County authorize and direct execution of the Lease Agreement (hereinafter defined) and certain other financing documents in connection therewith;

WHEREAS, a preliminary official statement containing information material to the offering and sale of the Certificates described below (the “Preliminary Official Statement”) has been prepared on behalf of the County; and

WHEREAS, the documents below specified shall be filed with the County and the members of the Board of Supervisors (the “Board”) of the County, with the aid of its staff, shall review said documents.

NOW, THEREFORE, BE IT RESOLVED by The Yuba County Board of Supervisors; it is hereby ORDERED and DETERMINED, as follows:

Section 1. Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the “Series A Certificates”) and the Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the “Series B Certificates” and, with the Series A Certificates, the “Certificates”)) are hereby authorized to be executed and delivered pursuant to

the provisions of the Trust Agreement (as hereinafter defined), to finance the Project. The County will designate the Series A Certificates as "New Clean Renewable Energy Bonds" (CREBs) under section 54C of the Code and will irrevocably elect under section 6431(f)(2) of the Code to receive a direct payment from the United States Treasury equal to the lesser of (i) the amount of interest payable with respect to the Series A Certificates, or (ii) seventy percent (70%) of the amount of interest which would be payable with respect to the Series A Certificates if the interest rates were determined at the applicable credit rate determined under section 54A(b)(3) of the Code.

Section 2. The below-enumerated documents, in the forms on file with the Clerk of the Board, be and are hereby approved, and the Chair of the Board, the County Administrator or the County Treasurer-Tax Collector, or the assignee of any such official (each, a "Designated Officer"), are hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the Clerk of the Board is hereby authorized and directed to attest to such official's signature:

- (a) a site and facility lease, by and between the County, as lessor, and the Corporation, as lessee, pursuant to which the County will lease certain existing property (the "Existing Property") to the Corporation, for the purpose of leasing the Existing Property and the Project (collectively, the "Property") to the County pursuant to the Lease Agreement;
- (b) a lease agreement relating to the Property, between the Corporation, as lessor, and the County, as lessee (the "Lease Agreement"), so long as the principal amount of the Lease Agreement is not greater than \$5,800,000, the true interest cost of the Lease Agreement does not exceed 5.50% and the Lease Agreement shall be for a term which is equal to the maximum term permitted for Clean Renewable Energy Bonds under the Code; and
- (c) a trust agreement, by and among the Corporation, the County and U.S. Bank National Association, as trustee (the "Trustee"), relating to the execution and delivery of the Certificates (the "Trust Agreement");
- (f) a continuing disclosure certificate.

Section 3. A certificate purchase agreement, by and between Hilltop Securities Inc. (the "Underwriter") and the County, relating to the purchase by the Underwriter of the Series A Certificates, in the form on file with the Clerk of the Board, be and is hereby approved, and any Designated Officer is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriter's discount does not exceed 1% of the principal amount of the Series A Certificates. A certificate purchase agreement, by and between the Underwriter and the County, relating to the purchase by the Underwriter of the Series B Certificates, in the form on file with the Clerk of the Board, be and is hereby approved, and any Designated Officer is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriter's discount does not exceed 1% of the principal amount of the Series B Certificates.

Section 4. The Board hereby approves the Preliminary Official Statement, in the form on file with the Clerk of the Board, together with any changes therein or additions thereto deemed advisable by any Designated Officer. The Board authorizes and directs any Designated Officer to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the

“Rule”). The Underwriter is hereby authorized to cause copies of the Preliminary Official Statement to be distributed to prospective investors.

Section 5. Any Designated Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the “Final Official Statement”) and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the County or omit to state material facts with respect to the County required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Designated Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Designated Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the County.

Section 6. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

Section 7. The Designated Officers are hereby authorized and directed to solicit proposals for municipal bond insurance and/or a reserve fund surety policy for the Certificates. The Chair of the Board, the County Administrator and the County Treasurer-Tax Collector are hereby authorized to determine if such municipal bond insurance and/or reserve fund surety policy is financially advantageous to the County and, if it is determined that such municipal bond insurance and/or reserve fund surety policy is financially advantageous to the County and commitments therefor are received, the Chair of the Board, the County Administrator or the County Treasurer-Tax Collector is hereby authorized to accept such commitments and to revise the legal documents as may be appropriate to provide for such municipal bond insurance and/or reserve fund surety policy.

Section 8. Capitol Public Finance Group, LLC, Roseville, California, is hereby designated as municipal advisor to the County in connection with the financing. The County Administrator, or the designee thereof, is hereby authorized and directed in the name and on behalf of the County to execute an agreement for municipal advisory services with such firm, with compensation to such firm to be paid from the proceeds of the financing. Quint & Thimmig LLP, Larkspur, California, is hereby designated as bond counsel to the County in connection with the financing. The County Administrator, or the designee thereof, is hereby authorized and directed in the name and on behalf of the County to execute an agreement for legal services with such firm, with compensation to such firm to be paid from the proceeds of the financing.

Section 8. Chair of the Board, the County Administrator, the County Treasurer-Tax Collector, the Clerk of the Board and all other appropriate officials of the County are hereby authorized and directed to

execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized.

Section 9. This Resolution shall take effect upon its adoption by this Board.

Section 10. The Clerk of the Board shall certify to the adoption of this Resolution and provide for appropriate distribution thereof.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the _____ day of _____, 2015 by the following vote:

AYES:

NOES:

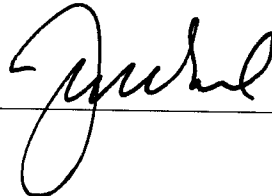
ABSENT:

ABSTAIN:

Chairperson

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

ANGIL P. MORRIS-JONES
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:





Administrative Services Memorandum

To: Public Facilities Corporation Board of Directors
CC: Robert Bendorf, County Administrator
From: Doug McCoy, Director, Administrative Services *DM*
Date: October 20, 2015
Re: Phase 2 solar project

Recommendation

It is recommended that the Board of Directors approve the attached Resolution approving the form and authorizing the execution of certain lease financing documents in connection with the offering and sale of certificates of participation relating thereto to finance the costs of a clean renewable energy project for the county of Yuba and authorizing and directing certain actions with respect thereto

Background

On August 25, 2015, the Board of Supervisors ("Board") evaluated two options for implementing the Phase 2 solar photovoltaic energy system at the airport ("Project"). The Board directed staff to implement the Project through the issuance of Clean Renewable Energy Bonds ("CREBs"). CREBs are taxable securities but allow the issuer to receive a federal subsidy equal to 70% of the debt service on the CREBs. The CREBs are structured as 20 year, Certificates of Participation. While the County's General Fund is nominally obligated to make the debt service payments, it is expected that the federal subsidy and the energy savings produced by the Project will be a net zero payment obligation by the County. The County anticipates substantial net revenues as a result of the Project.

Discussion

In order to complete the CREBs financing, the County needs to utilize a nonprofit corporation to satisfy the legal requirements associated with the structure. The County formed the Corporation in 1991 for the specific purpose of assisting with the financing of public facilities that are used for the benefit of the citizens of Yuba County.

The role of the Corporation is to act as a third party lessor. As such, it must authorize the approval and execution of the lease financing documents. Apart from this approval, and

maintaining the Corporation in good standing, the Corporation has no further role or responsibility for the financing.

Financial Impact

None.

**BEFORE THE BOARD OF DIRECTORS
OF THE PUBLIC FACILITIES CORPORATION
OF THE COUNTY OF YUBA**

RESOLUTION	RESOLUTION NO. _____
RESOLUTION APPROVING THE FORM)
AND AUTHORIZING THE EXECUTION)
OF CERTAIN LEASE FINANCING)
DOCUMENTS IN CONNECTION WITH)
THE OFFERING AND SALE OF)
CERTIFICATES OF PARTICIPATION)
RELATING THERETO TO FINANCE THE)
COSTS OF A CLEAN RENEWABLE)
ENERGY PROJECT FOR THE COUNTY OF)
YUBA AND AUTHORIZING AND)
DIRECTING CERTAIN ACTIONS WITH)
RESPECT THERETO)

WHEREAS, the County of Yuba (the “County”) has received approval from the Internal Revenue Service for the issuance of New Clean Renewable Energy Bonds (“CREBs”) under Section 54C(a) of the Internal Revenue Code of 1986, as amended (the “Code”), in the principal amount of \$5,485,000, with respect to the Clean Renewable Energy Project described below;

WHEREAS, the County, with the assistance of the Corporation, has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the “Project”), and to implement a lease financing for such purposes;

WHEREAS, it is in the public interest and for the public benefit that the Corporation authorize and direct execution of certain financing documents in connection therewith; and

WHEREAS, the documents below specified shall be filed with the Corporation and the members of the Board, with the aid of its staff, shall review said documents;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors; it is hereby ORDERED and DETERMINED, as follows:

Section 1. Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the “Series A Certificates”) and the Taxable Certificates

of Participation, Series B (2015 Clean Renewable Energy Project) (the “Series B Certificates” and, with the Series A Certificates, the “Certificates”)) are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement (as hereinafter defined), to finance the Project.

The County will designate the Series A Certificates as “New Clean Renewable Energy Bonds” (CREBs) under section 54C of the Code and will irrevocably elect under section 6431(f)(2) of the Code to receive a direct payment from the United States Treasury equal to the lesser of (a) the amount of interest payable with respect to the Series A Certificates, or (b) seventy percent (70%) of the amount of interest which would be payable with respect to the Series A Certificates if the interest rates were determined at the applicable credit rate determined under section 54A(b)(3) of the Code.

Section 2. The below-enumerated documents, in the forms on file with the Secretary, be and are hereby approved, and the President or the Treasurer, or the designee of such officials, is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, the execution thereof to be conclusive evidence of such approval, and the Secretary or any deputy to the Secretary is hereby authorized and directed to attest to such official’s signature

(a) a site and facility lease, by and between the County, as lessor, and the Corporation, as lessee, pursuant to which the County will lease certain existing property (the “Existing Property”) to the Corporation, for the purpose of leasing the Existing Property and the Project (collectively, the “Property”) to the County pursuant to the Lease Agreement;

(b) a lease agreement relating to the Property, between the Corporation, as lessor, and the County, as lessee (the “Lease Agreement”);

(c) an assignment agreement, by and between the Corporation and U.S. Bank National Association, as trustee (the “Trustee”), pursuant to which the Corporation will assign certain of its rights under the Lease Agreement, including its right to receive lease payments thereunder, to the Trustee; and

(d) a trust agreement, by and among the Corporation, the County and the Trustee, relating to the execution and delivery of the Certificates (the “Trust Agreement”);

Section 3. The President, the Treasurer, the Secretary and other officials of the Corporation are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 4. This Resolution shall take effect upon its adoption by the Board.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Public Facilities Corporation of the County of Yuba, State of California on the _____ day of _____, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Roger Abe; President, Chief Executive Officer

ATTEST:
MARY JANE GRIEGO
SECRETARY

ANGIL P. MORRIS-JONES
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:

THIS PAGE INTENTIONALLY LEFT BLANK

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2015

Adopt resolution... - 7 of 301

TWO NEW ISSUES—FULL BOOK-ENTRY

RATINGS:
S&P: "AA" (BAM-Insured)
S&P: "___" (Underlying)
(See "RATINGS" herein)

In the opinion of Quint & Thimmig LLP, Larkspur, California, Special Counsel, interest with respect to the Certificates is exempt from personal income taxation imposed by the State of California. Interest with respect to the Certificates is not excludable from gross income of the owners thereof for federal income tax purposes. In addition, in the opinion of Special Counsel, See "TAX MATTERS" herein.

\$ _____ *

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES A

(2015 Clean Renewable Energy Project — Direct Pay Subsidy CREBs)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Series A Lease Payments to be Made by the
COUNTY OF YUBA

As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation

Dated: Date of Delivery

The \$ _____ * Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the "Series A Certificates"), are being sold to provide funds to (a) finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system, (b) fund capitalized interest with respect to the Series A Certificates through November 1, 2016, and (c) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Series A Certificates. The \$ _____ * Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the "Series B Certificates" and, with the Series A Certificates, the "Certificates"), are being sold to provide funds to (a) fund capitalized interest with respect to the Series B Certificates through November 1, 2016, and (b) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates. See "SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

The Certificates will evidence direct, undivided fractional interests of the owners thereof in Lease Payments (as defined herein) to be made by the County of Yuba (the "County") to the County of Yuba Public Facilities Corporation (the "Corporation") for the use and occupancy of the Property (as defined herein) under and pursuant to a Lease Agreement, dated as of November 1, 2015, by and between the County and the Corporation (the "Lease Agreement"). The Corporation will assign its right to receive Lease Payments from the County under the Lease Agreement and its right to enforce payment of the Lease Payments when due or otherwise protect its interest in the event of a default by the County thereunder to U.S. Bank National Association, San Francisco, California, as trustee (the "Trustee"), for the benefit of the registered owners of the Certificates.

The County will designate the Series A Certificates as "New Clean Renewable Energy Bonds" (CREBs) under section 54C of the Internal Revenue Code of 1996, as amended (the "Code") and will irrevocably elect under section 6431(f)(2) of the Code to receive a direct payment from the United States Treasury equal to the lesser of (i) the amount of interest payable with respect to the Series A Certificates, or (ii) seventy percent (70%) of the amount of interest which would be payable with respect to the Series A Certificates if the interest rates were determined at the applicable credit rate determined under section 54A(b)(3) of the Code. See "THE CERTIFICATES—Designation of the Series A Certificates as New Clean Renewable Energy Bonds" herein.

The Certificates will be executed and delivered in book-entry form only, and will be initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (referred to herein as "DTC"). Purchasers of the Certificates (the "Beneficial Owners") will not receive physical certificates representing their interest in the Certificates. Interest with respect to the Certificates accrues from their date of delivery, and is payable semiannually by check mailed on each May 1 and November 1, commencing May 1, 2016. The Certificates may be executed and delivered in denominations of \$5,000 or any integral multiple thereof. Payments of principal and interest with respect to the Certificates will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Certificates. See "THE CERTIFICATES—Book-Entry-Only System."

The Certificates are subject to redemption, as described herein. See "THE CERTIFICATES—Redemption."

NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE COUNTY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES A DEBT OR INDEBTEDNESS OF THE COUNTY OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS OR RESTRICTION OR AN OBLIGATION FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

The following firm, serving as financial advisor to the County, has structured this issue:



The scheduled payment of principal and interest with respect to the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Certificates by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.



MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

SEE THE INSIDE COVER

The cover page contains certain information for general reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "RISK FACTORS" herein for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Certificates.

The Certificates will be offered when, as and if delivered and received by the Underwriter subject to approval by Quint & Thimmig LLP, Larkspur, California, as Special Counsel. Certain matters will be passed upon for the County by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Certificates will be available for delivery to DTC in New York, New York, on or about November 24, 2015.

Hilltop Securities

Dated: November __, 2015

*Preliminary, subject to change.

\$ _____ *

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Series A Lease Payments to be Made by the
COUNTY OF YUBA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation

MATURITY SCHEDULE*

\$ _____ % Series A Term Certificates maturing November 1, 2025; Price: _____ % to Yield _____ %—CUSIP: _____ †

\$ _____ % Series A Term Certificates maturing November 1, 2030; Price: _____ % to Yield _____ %—CUSIP: _____ †

\$ _____ % Series A Term Certificates maturing November 1, 2035; Price: _____ % to Yield _____ %—CUSIP: _____ †

\$ _____ *

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES B
(2015 Clean Renewable Energy Project)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Series B Lease Payments to be Made by the
COUNTY OF YUBA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation

MATURITY SCHEDULE*

\$ _____ % Series B Serial Certificates maturing November 1, 2017; Price: _____ % to Yield _____ %—CUSIP: _____ †

\$ _____ % Series B Serial Certificates maturing November 1, 2018; Price: _____ % to Yield _____ %—CUSIP: _____ †

*Preliminary, subject to change.

†Copyright 2015, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the registered owners of the Certificates. Neither the County nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the County with respect to the Certificates that has been deemed "final" by the County as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the County and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of the Certificates, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site and Facility Lease, or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the County Administrator for further information. See "INTRODUCTION—Other Information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the County's forecasts in any way. Neither the County nor the Corporation is obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur or do not occur.

The execution, sale and delivery of the Certificates has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM supplied by the BAM and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

The County maintains a website. Unless specifically indicated otherwise, the information presented on such website is *not* incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Certificates.

TABLE OF CONTENTS

INTRODUCTION.....	1	Labor Relations	38
General	1	Risk Management	39
Source of Payment for the Certificates	2	Employee Retirement Plans	39
Municipal Bond Insurance Policy	3	Other Post Employment Benefits	41
The County	3	Short-Term Obligations	43
Continuing Disclosure	3	Long-Term Obligations	43
Summaries of Documents	4	Overlapping Debt	44
Other Information	4	THE CORPORATION.....	46
SOURCES AND USES OF FUNDS	4	CONSTITUTIONAL AND STATUTORY LIMITATIONS ON	
PLAN OF FINANCING	5	TAXES, REVENUES AND APPROPRIATIONS.....	47
THE PROPERTY	5	Article XIII A of the California Constitution	47
SEMI-ANNUAL DEBT SERVICE	6	Article XIII B of the California Constitution.....	48
THE CERTIFICATES.....	7	Proposition 218	49
General	7	Proposition 1A of 2004	50
Designation of the Series A Certificates as New Clean		Proposition 22	51
Renewable Energy Bonds	7	Proposition 26	51
Redemption	8	Future Initiatives	52
Transfer and Exchange of Certificates	13	RISK FACTORS	52
Book-Entry Only System	14	Nonrenewal of Payment Agreement	52
SOURCE OF PAYMENT FOR THE CERTIFICATES.....	15	Lease Payments Are Not Debt.....	52
General	15	Valid and Binding Covenant to Budget and Appropriate	53
Lease Payments; Covenant to Appropriate.....	15	Abatement	53
Insurance	16	No Acceleration Upon Default	54
Abatement	16	No Reserve	54
Eminent Domain.....	17	Risk of Uninsured Loss	54
No Reserve Fund	17	Eminent Domain.....	54
Optional Prepayment	17	Hazardous Substances	55
Mandatory Prepayment from Net Proceeds of Insurance, Title		Earthquakes	55
Insurance or Eminent Domain.....	18	Bankruptcy.....	55
Substitution or Release of Site or Facility	18	Pension Benefit Liability	56
Amendment of Lease Agreement	22	Early Redemption Risk	56
MUNICIPAL BOND INSURANCE.....	22	Limitations on Remedies	56
Municipal Bond Insurance Policy	22	Risk of Tax Audit	57
Build America Mutual Assurance Company	23	State Budgets	57
THE COUNTY	24	Municipal Bond Insurance.....	62
General	24	Possible Insufficiency of Insurance Proceeds	63
Organization; Personnel.....	25	Secondary Market Risk	63
County Services	25	Changes in Law	64
COUNTY FINANCIAL INFORMATION	26	ABSENCE OF LITIGATION	64
Financial Statements.....	26	CONTINUING DISCLOSURE.....	64
Budgetary Process.....	26	MUNICIPAL ADVISOR.....	65
County Financial Management Policies.....	27	LEGAL MATTERS.....	65
Current Investments	28	TAX MATTERS	65
Principal Sources of General Fund Revenues	28	UNDERWRITING.....	66
Property Taxes.....	30	RATINGS	66
Sales and Use Taxes	35	FINANCIAL STATEMENTS.....	67
Motor Vehicle In-Lieu Tax	35	ADDITIONAL INFORMATION.....	67
General Fund Revenues and Expenditures	37		
OTHER COUNTY FINANCIAL INFORMATION	38		
APPENDIX A	GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE		
	COUNTY		
APPENDIX B	COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE YEAR		
	ENDED JUNE 30, 2014		
APPENDIX C	INVESTMENT POLICY OF THE COUNTY		
APPENDIX D	FORMS OF OPINIONS OF SPECIAL COUNSEL		
APPENDIX E	SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS		
APPENDIX F	DTC'S BOOK-ENTRY ONLY SYSTEM		
APPENDIX G	FORMS OF CONTINUING DISCLOSURE CERTIFICATES		
APPENDIX H	SPECIMEN MUNICIPAL BOND INSURANCE POLICY		

COUNTY OF YUBA LOCATION MAP



COUNTY OF YUBA

915 8th Street, Suite 115

Marysville, CA 95901

<http://www.yuba.org>

MEMBERS OF THE BOARD OF SUPERVISORS

Mary Jane Griego, *Chair*

Roger Abe, *Vice Chair*

Randy Fletcher, *Boardmember*

John Nicoletti, *Boardmember*

Andrew Vasquez, *Boardmember*

COUNTY OFFICIALS

Robert Bendorf, *County Administrator*

Dan M. Mierzwa, *Treasurer-Tax Collector*

C. Richard Eberle, *Auditor-Controller*

Doug McCoy, *Director, Administrative Services*

Bruce Stottlemeyer, *Assessor*

Steven L. Durfor, *Sheriff/Coroner*

Donna Stottlemeyer, *Clerk of the Board*

Angil Morris-Jones, Esq., *County Counsel*

SPECIAL SERVICES

Special Counsel and Disclosure Counsel

Quint & Thimmig LLP

Larkspur, California

Municipal Advisor

Capitol Public Finance Group, LLC

Roseville, California

Trustee

U.S. Bank National Association

San Francisco, California

\$ _____ *

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Series A Lease Payments to be Made by the
COUNTY OF YUBA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation

\$ _____ *

TAXABLE CERTIFICATES OF PARTICIPATION, SERIES B
(2015 Clean Renewable Energy Project)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Series B Lease Payments to be Made by the
COUNTY OF YUBA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation

INTRODUCTION

This introduction does not purport to be complete and reference is made to the body of this Official Statement, appendices and the documents referred to herein for more complete information with respect to matters concerning the captioned Certificates. Potential investors are encouraged to read this entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement and in APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS.

General

This Official Statement, including the cover page, inside cover page and appendices hereto, is provided to furnish information in connection with the execution, sale and delivery of \$ _____* aggregate principal amount of Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the “Series A Certificates”), and \$ _____* aggregate principal amount of Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the “Series B Certificates” and, with the Series A Certificates, the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of November 1, 2015 (the “Trust Agreement”), by and among the County of Yuba (the “County”), the County of Yuba Facilities Corporation (the “Corporation”) and U.S. Bank National Association, as trustee (the “Trustee”).

Proceeds of the Series A Certificates will be used to (a) finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the “Project”), (b) fund capitalized interest with respect to the Certificates through November 1, 2016 and (c) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates. Proceeds of the Series B Certificates will be used to provide funds to (a) fund capitalized interest with respect to the Series B Cer-

* Preliminary, subject to change.

tificates through November 1, 2016, and (b) pay a portion of the delivery costs incurred in connection with the execution, delivery and sale of the Certificates. See “PLAN OF FINANCING.”

The County will lease certain existing land and facilities to the Corporation pursuant to a Site and Facility Lease, dated as of November 1, 2015 (the “Site and Facility Lease”). The Corporation will lease such land, facilities and the Project back to the County pursuant to a Lease Agreement, dated as of November 1, 2015 (the “Lease Agreement”). The Series A Certificates are payable solely from and secured by certain lease payments (the “Series A Lease Payments”) to be made by the County to the Corporation pursuant to the Lease Agreement. The Series B Certificates are payable solely from and secured by certain lease payments (the “Series B Lease Payments” and, with the Series A Lease Payment, the “Lease Payment”) to be made by the County to the Corporation pursuant to the Lease Agreement. See “SOURCE OF PAYMENT FOR THE CERTIFICATES” and “THE PROPERTY.”

Interest with respect to the Certificates is payable on May 1 and November 1 of each year, commencing May 1, 2016. The Certificates will mature in the amounts and on the dates and be payable at the interest rates shown on the inside cover of this Official Statement. See “THE CERTIFICATES.”

The Certificates will be delivered in fully registered form only, in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the Certificates and all payments due with respect to the Certificates will be made to Cede & Co. Ownership interests in the Certificates may be purchased only in book-entry form. See “THE CERTIFICATES—Book-Entry Only System” and APPENDIX F—DTC’S BOOK-ENTRY ONLY SYSTEM.

Source of Payment for the Certificates

The Certificates represent direct, undivided fractional interests of the Owners thereof in the Lease Payments to be paid by the County to the Corporation pursuant to the Lease Agreement. Lease Payments are calculated to be sufficient to permit the payment of the principal and interest with respect to the Certificates when due. The Lease Payments are payable by the County from its general fund for the right to use and possess the Property. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction there is substantial interference with the use and occupancy by the County of the Property or any portion thereof. The County will covenant under the Lease Agreement to take such action as necessary to include the Lease Payments in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Lease Agreement). Pursuant to an Assignment Agreement, dated as of November 1, 2015 (the “Assignment Agreement”), by and between the Corporation and the Trustee, the Corporation will assign to the Trustee, for the benefit of the Owners of the Certificates, certain of its rights under the Lease Agreement, including its right to receive Lease Payments from the County for the purpose of securing the payment of principal and interest with respect to the Certificates. See “SOURCE OF PAYMENT FOR THE CERTIFICATES” and “RISK FACTORS.”

A reserve fund will not be funded for the Certificates.

THE OBLIGATION OF THE COUNTY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE COUNTY TO MAKE LEASE

PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES AN INDEBTEDNESS OF THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

The County's ability to make the Lease Payments is dependent, in part, upon the continuing agreement of the Yuba Levee Financing Authority (the "Authority") to pay a portion of the County's obligations with respect to the \$64,175,000 Yuba Levee Financing Authority Revenue Bonds, 2008 Series A (Yuba County Levee Financing Project) (the "Series A Bonds"), and its \$14,195,000 Yuba Levee Financing Authority Taxable Revenue Bonds, 2008 Series B (Yuba County Levee Financing Project) (the "Series B Bonds" and, with the Series A Bonds, the "Authority Bonds"). That agreement currently expires on February 15, 2020, subject to renewal. See "OTHER COUNTY FINANCIAL INFORMATION—Long Term Obligations—General Fund Obligations—Yuba Levee Authority Revenue Bonds" and "RISK FACTORS—Nonrenewal of Payment Agreement."

Municipal Bond Insurance Policy

The scheduled payment of the principal and interest with respect to the Certificates when due will be guaranteed under a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by Build America Mutual Assurance Company ("BAM") simultaneously with the delivery of the Certificates. See "MUNICIPAL BOND INSURANCE."

The County

The County was one of the original 27 counties established by the Legislature of the State in 1850. The County is located in the northern part of the Sacramento Valley. The City of Marysville, the County seat, is located at the confluence of the Feather and Yuba rivers, 120 miles east of San Francisco, and 45 miles north of the State Capital in Sacramento.

According to the U.S. Census Bureau, the County has a total area of 644 square miles (1,670 km²), of which 632 square miles (1,640 km²) is land and 12 square miles (31 km²) (1.9%) is water. It is the fifth-smallest county in California by total area. The county lies along the western slope of the Sierra Nevada, the steep slopes making it prime territory for the siting of hydroelectric power plants.

A portion of the County, where Marysville (the county seat) and most of the population lives, is west of the mountains on the valley floor. There is a great deal of agriculture business in this part of the county, especially fruit orchards, rice fields, and cattle grazing.

See "THE COUNTY," "COUNTY FINANCIAL INFORMATION" and APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COUNTY.

Continuing Disclosure

The County will covenant in a Continuing Disclosure Certificate to prepare and deliver an annual report to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system. See "CONTINUING DISCLOSURE" and APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Summaries of Documents

This Official Statement contains descriptions of the Certificates, the Trust Agreement, the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and various other agreements and documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors' rights generally. Copies of the various documents described herein are available for inspection during business hours at the corporate trust office of the Trustee at One California Street, Suite 1000, San Francisco, CA 94111.

Other Information

This Official Statement speaks only as of its date as set forth on the cover hereof, the information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof.

Unless otherwise expressly noted, all references to internet websites in this Official Statement, including without limitation, the County's website, are shown for reference and convenience only and none of their content is incorporated herein by reference. The information contained within such websites has not been reviewed by the County and the County makes no representation regarding the accuracy or completeness of the information therein.

SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Certificates and other moneys:

	Series A Certificates	Series B Certificates	Total
Sources			
Par Amount of the Certificates			
Total Sources			
Uses			
Deposit to Project Fund ⁽¹⁾			
Deposit to Lease Payment Fund ⁽²⁾			
Deposit to Delivery Costs Fund ⁽³⁾			
Total Uses			

⁽¹⁾ Amounts deposited in the Project Fund will be used to finance the Project. See PLAN OF FINANCING.

⁽²⁾ Represents capitalized interest with respect to the Certificates through November 1, 2016.

⁽³⁾ Delivery Costs include the Underwriter's discounts, fees and expenses of the municipal advisor, special counsel, disclosure counsel and the Trustee, printing expenses, rating fees, title insurance, the premium for the Municipal Bond Insurance Policy and other costs.

PLAN OF FINANCING

Proceeds of the Certificates will be used to (a) finance the costs of the Project, (b) fund capitalized interest with respect to the Certificates through November 1, 2016, and (c) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates, including the purchase of the Municipal Bond Insurance Policy.

The Project consists of the acquisition and installation of a 1,645 kW DC photovoltaic energy system to be installed on the site of the County's animal service facility at 5245 Feather River Boulevard in Olivehurst, California.

THE PROPERTY

Pursuant to the Site and Facility Lease, the County will lease certain existing land and facilities to the Corporation. Pursuant to the Lease Agreement, the Corporation will lease such County will lease such land, facilities and the Project (collectively, the "Property") to the County. See APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Site and Facility Lease and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.

Such existing land and facilities consists of a 19,771 square foot building located at 4240 Dan Avenue, Olivehurst California. It was originally constructed in 1975 as a church and community center with an addition added in 1978. The County acquired the property in 1998 and operates its Victim Witness program there (the "Victim Witness Facility"). The Victim Witness Facility is comprised largely offices and interview rooms where the County's Victim Witness organization deals with victims of crime and helps them navigate the criminal justice system. The total current insured value of the Victim Witness Facility, including the value of the land, exceeds \$1,200,000.

For a description of certain terms of the Lease Agreement see "SOURCE OF PAYMENT FOR THE CERTIFICATES" and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT.

Pursuant to the Lease Agreement, the County may substitute the Property, in whole or in part, by other properties, upon the satisfaction of certain conditions. For more information regarding the substitution of property see "SOURCE OF PAYMENT FOR THE CERTIFICATES—Substitution or Release of Site or Facility" and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.

The County has not granted any security interest in the Property for the benefit of the Certificates and there is no remedy of foreclosure on the Property upon the occurrence of an Event of Default under the Lease Agreement. For a discussion of remedies upon an Event of Default under the Lease Agreement, see "RISK FACTORS—Limitations on Remedies."

SEMI-ANNUAL DEBT SERVICE

The following table shows the scheduled annual debt service for the Certificates:

Interest Payment Date	Series A Certificates			Series B Certificates			Total
	Principal	Interest	Total	Principal	Interest	Total	
5/1/16							
11/1/16							
5/1/17							
11/1/17							
5/1/18							
11/1/18							
5/1/19				—	—	—	
11/1/19				—	—	—	
5/1/20				—	—	—	
11/1/20				—	—	—	
5/1/21				—	—	—	
11/1/21				—	—	—	
5/1/22				—	—	—	
11/1/22				—	—	—	
5/1/23				—	—	—	
11/1/23				—	—	—	
5/1/24				—	—	—	
11/1/24				—	—	—	
5/1/25				—	—	—	
11/1/25				—	—	—	
5/1/26				—	—	—	
11/1/26				—	—	—	
5/1/27				—	—	—	
11/1/27				—	—	—	
5/1/28				—	—	—	
11/1/28				—	—	—	
5/1/29				—	—	—	
11/1/29				—	—	—	
5/1/30				—	—	—	
11/1/30				—	—	—	
5/1/31				—	—	—	
11/1/31				—	—	—	
5/1/32				—	—	—	
11/1/32				—	—	—	
5/1/33				—	—	—	
11/1/33				—	—	—	
5/1/34				—	—	—	
11/1/34				—	—	—	
5/1/35				—	—	—	
11/1/35				—	—	—	

⁽¹⁾ Principal and interest payments with respect to the Certificates on each May 1 and November 1 are derived from Lease Payments made by the County on the preceding April 15 and October 15.

THE CERTIFICATES

General

The Certificates will be executed and delivered in the aggregate principal amount and will mature on the dates and interest with respect thereto will be payable at the rates per annum as set forth on the inside cover of this Official Statement. The Certificates will be delivered in the form of fully registered Certificates without coupons in the denomination of \$5,000 or any integral multiple thereof. Interest with respect to the Certificates will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on May 1 and November 1 of each year, commencing May 1, 2016 (each an “Interest Payment Date”), until maturity or earlier redemption thereof. The Certificates will be initially executed, delivered and registered in the name of “Cede & Co.” as nominee of DTC and will be evidenced by one Certificate maturing on each of the maturity dates in a denomination corresponding to the total principal therein designated to mature on such date. See “THE CERTIFICATES—Book-Entry Only System.”

Interest with respect to the Certificates will be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Regular Record Date (i.e., the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day) and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before April 15, 2016, in which event interest with respect thereto will be payable from its dated date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check mailed to the Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Designation of the Series A Certificates as New Clean Renewable Energy Bonds

The County intends to cause the execution and delivery of the Series A Certificates as “New Clean Renewable Energy Bonds” as defined in section 54C of the Code and will irrevocably elect under section 6431(f)(3) of the Code to receive a direct interest subsidy payment from the United States Treasury equal to the lesser of (i) the amount of interest payable with respect to the Series A Certificates, or (ii) seventy percent (70%) of the amount of interest which would have been payable with respect to the Series

A Certificates if interest was determined at the applicable credit rate determined under section 54A(b)(3) of the Code. To receive a direct subsidy payment, the County is required to make certain filings (currently Form 8038-CP) with the Internal Revenue Service not less than 45 days nor more than 90 days before each interest payment date that the County expects to receive a direct subsidy payment. Failure to timely file the required form could result in the delay or denial of receipt of the direct subsidy payment. The subsidy payments are not pledged to support the Series A Certificates. The County is obligated to make all Lease Payments whether or not direct subsidy payments are received.

Payment of the subsidy may be offset against amounts that may be owed to the United States or its agencies by the County. Also, it is possible that subsidy payments could be reduced or discontinued or the timing of the receipt could be changed as a result of changes in the federal law.

The Owners of the Series A Certificates are not entitled to receive a credit against tax imposed by the Code with respect to the Series A Certificates. The subsidy payments, payable directly to the County, are not pledged to the Owners of the Series A Certificates as security therefore.

Redemption

Optional Redemption.

Series A Certificates. The Series A Certificates are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the County (or, if the County shall fail to so designate the order of redemption, in pro rata among maturities) and by lot within a maturity, on or after November 1, ____, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Series A Lease Payments made by the County pursuant to the Lease Agreement.

Series B Certificates. The Series B Certificates are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption.

Series A Certificates. The Series A Certificates maturing on November 1, 2025, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2018, to and including November 1, 2025, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025 [†]	

[†]Maturity.

The Series A Certificates maturing on November 1, 2030, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2026, to and including November 1, 2030, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2026	
2027	
2028	
2029	
2030 [†]	

[†]Maturity.

The Series A Certificates maturing on November 1, 2035, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2031, to and including November 1, 2035, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2031	
2032	
2033	
2034	
2035 [†]	

[†]Maturity.

Series B Certificates. The Series B Certificates are not subject to mandatory sinking fund redemption.

Extraordinary Mandatory Redemption from Unexpended Proceeds of the Series A Certificates.

The Series A Certificates or portions of the Series A Certificates, in multiples of \$5,000, are subject to extraordinary mandatory redemption within 90 days after the later of: (a) the third anniversary of the delivery date of the Series A Certificates; or (b) the Extension Period Expiration Date (as defined below), at par, plus accrued interest to the date of redemption, in a total amount equal to the unexpended Available Project Proceeds (as defined below) of the Series A Certificates plus such amount as shall be necessary to permit the Series A Certificates to be redeemed in multiples of \$5,000 within a single maturity, but only to the extent available proceeds of the Series A Certificates are not expended by the later of: (i) the third anniversary of the delivery date of the Series A Certificates; or (ii) the Extension Period Expiration Date.

“Extension Period Expiration Date” means the last day of any extension of time negotiated with the Internal Revenue Service (the “IRS”), as evidenced in writing from the IRS, that extends the date by which the proceeds of the Series A Certificates must be expended.

“Available Project Proceeds” means the sum of (i) the excess of the proceeds of sale of the Series A Certificates over Delivery Costs paid out of such proceeds (to the extent such costs do not exceed two percent of such proceeds), and (ii) any investment earnings on such excess.

Extraordinary Optional Redemption Due to an Extraordinary Event. The Series A Certificates are further subject to redemption prior to maturity at the option of the County upon the occurrence of an Extraordinary Event (defined below), from any source of available funds, as a whole or in part in multiples of \$5,000, on any date, at a redemption price equal to 100% of the principal amount of the Series A Certificates to be redeemed plus the Make-Whole Premium (defined below), if any, together with accrued interest to the date fixed for redemption.

“Accountable Event of Loss of New Clean Renewal Energy Bond Status” means (a) any act or any failure to act on the part of the County, which act or failure to act is a breach of a covenant or agreement of the County contained in the County’s tax certificate with respect to the Series A Certificates (the “Tax Certificate”) or the Series A Certificates and which act or failure to act causes the Series A Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code, or (b) the making by the County of any representation contained in the Tax Certificate or the Lease Agreement, which representation was untrue when made and the untruth of which representation at such time causes the Series A Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code.

“Comparable Treasury Issue” means the United States Treasury security selected by the Designated Banking Institution (defined below) as having a maturity comparable to the remaining term to maturity of the Series A Certificate being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series A Certificate being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series A Certificate or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer (defined below) quotations for the date fixed for redemption, after excluding the highest

and lowest such quotations, and (b) if the Designated Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Designated Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Designated Banking Institution, at 2:00 p.m. New York City time on a Business Day at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption.

“Comparable Treasury Yield” means the yield appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Designated Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series A Certificate being redeemed. The Comparable Treasury Yield will be determined at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series A Certificate being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series A Certificate being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series A Certificate being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price as of the date fixed for redemption.

“Date of Loss of New Clean Renewal Energy Bond Status” means the date specified in the determination or holding referenced in item (a) or (b) under the definition of “Extraordinary Event,” as applicable, of the definition of “Extraordinary Event” as the date from and after which the Series A Certificates lost their status, or failed to qualify, as New Clean Renewal Energy Bonds as a result of an Accountable Event of Loss of New Clean Renewal Energy Bonds, which date could be as early as the date of initial issuance and delivery of the Series A Certificates.

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer with offices in the City of New York designated by the County (which may be the underwriter of the Series A Certificates).

“Extraordinary Event” means (a) a final determination by the Internal Revenue Service (after the County has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status; (b) a non-appealable holding by a court

of competent jurisdiction holding that an Accountable Event Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status (c) the enactment of legislation by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the County, would be to suspend, reduce or terminate the Subsidy Payment to be received pursuant to section 6431(f)(2) of the Code; or (d) if for any reason other than one attributable to the action or inaction of the County, (i) the United States Department of Treasury determines that the County is ineligible to receive all or part of the Federal Subsidy Payment payable with respect to the Series A Certificates or (ii) the United States Department of Treasury or agency of the United States of America at any time ceases to remit to the County all or any part of the Federal Subsidy Payment payable with respect to the Series A Certificates in accordance with the Code.

“Make-Whole Premium” means, with respect to any Series A Certificate to be redeemed, an amount calculated by a Designated Banking Institution equal to the positive difference, if any, between:

(1) The sum of the present values, calculated as of the date fixed for redemption of:

(a) Each interest payment that, but for the redemption, would have been payable on the Series A Certificate or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series A Certificate (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Series A Certificate, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series A Certificate to the date fixed for redemption; plus

(b) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series A Certificate or portion thereof being redeemed; minus

(2) The principal amount of the Series A Certificate or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate not less than the Comparable Treasury Yield, plus the Spread.

“Reference Treasury Dealer” means a primary United States Government securities dealer in the City of New York appointed by the County and reasonably acceptable to the Designated Banking Institution (which may be the underwriter of the Series A Certificates).

“Spread” means 1.00%.

“Subsidy Payment” means the refundable tax credit direct payment subsidies from the United States Treasury to or upon the

Extraordinary Redemption from Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award. The Certificates are subject to extraordinary redemption in whole on any date or in part on any Interest Payment Date from the Net Proceeds of an insurance, title insurance, condemnation or eminent domain award relating to all or a portion of the Property, to the extent credited towards the prepayment of the Lease Payments by the County pursuant to the Lease Agreement, in such order of maturity as shall be designated by the County (or, if the County shall fail to so designate the order of redemption, *pro rata* among maturities) and by lot within a maturity, at a redemption price equal to the principal amount of the Certificates to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Selection of Certificates for Redemption. Whenever provision is made in the Trust Agreement for the redemption of Certificates and less than all of the Outstanding Certificates are to be redeemed, the Trustee will select Certificates for redemption from the Outstanding Certificates not previously called for redemption in such order of maturity as will be designated by the County (and, in lieu of such designation, *pro rata* among maturities) and by lot within a maturity. The Trustee will select Certificates for redemption within a maturity by lot in any manner which the Trustee will, in its sole discretion, deems appropriate. For purposes of such selection, Certificates will be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. The Trustee will promptly notify the County in writing of the Certificates so selected for redemption. Selection by the Trustee of Certificates for redemption will be final and conclusive.

Notice of Redemption. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption will be given by the Trustee on behalf and at the expense of the County, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Registration Books or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for the redemption of the Certificates.

Effect of Redemption. If notice of redemption has been given as described above, the Certificates or portions of Certificates so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date, interest with respect to such Certificates or portions of Certificates will cease to be payable.

Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee will execute and deliver to the Owner thereof a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Transfer and Exchange of Certificates

The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his or her attorney duly authorized in writing upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee,

duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The County shall pay any costs of the Trustee incurred in connection with such transfer, except that the Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Certificates or portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificates selected for redemption.

Certificates may be exchanged, upon surrender thereof, at the Principal Corporate Trust Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates shall be surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The County shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange (i) any Certificate or any portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificate selected for redemption.

Book-Entry Only System

The Certificates will be initially executed, delivered and registered as one fully registered certificate for each maturity, without coupons, in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Certificates. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Certificates purchased. Principal and interest will be paid to DTC which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Certificates as described herein. So long as DTC's book-entry system is in effect with respect to the Certificates, notices to Owners of the Certificates by the County or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Certificates, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See APPENDIX F—DTC'S BOOK-ENTRY ONLY SYSTEM.

In the event that such book-entry system is discontinued with respect to the Certificates, the County will cause the Trustee to execute and deliver replacements in the form of registered certificates and, thereafter, the Certificates will be transferable and exchangeable on the terms and conditions provided in the Trust Agreement. In addition, the following provisions would then apply: Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request will remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by

check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

SOURCE OF PAYMENT FOR THE CERTIFICATES

General

Each Certificate represents a direct, undivided fractional interest in the Lease Payments. Pursuant to the Lease Agreement, the County will lease the Property from the Corporation and agree to make Lease Payments. See “THE PROPERTY.” Upon satisfaction of certain conditions set forth in the Lease Agreement, the County may substitute the Property with other properties. See “Substitution or Release of Site or Facility” below.

As security for the Certificates, the Corporation will assign to the Trustee for the payment of principal and interest with respect to the Certificates, the Corporation’s rights, title and interest in the Lease Agreement (with certain exceptions), including the right to receive Lease Payments to be made by the County under the Lease Agreement and the right to enforce remedies in the event of a default by the County. The Lease Payments are designed to be sufficient, in both time and amount, to pay when due, the principal and interest with respect to the Certificates. The Lease Payments are payable by the County from any source of legally available funds.

THE OBLIGATION OF THE COUNTY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE COUNTY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES AN INDEBTEDNESS OF THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

Lease Payments; Covenant to Appropriate

Pursuant to the Lease Agreement, the County has agreed to make Lease Payments for the lease of the Property which are calculated to be sufficient to pay principal and interest due with respect to the Certificates. Lease Payments will be made by the County to the Trustee on April 15 and October 15 in each year, in advance of the corresponding May 1 and November 1 Interest Payment Dates. The County will also pay as additional payments (“Additional Payments”), amounts required for the payment of all costs and expenses incurred by the County to comply with the provisions of the Trust Agreement and the Lease Agreement or in connection with the execution and delivery of the Certificates. The County has covenanted under the Lease Agreement to take such action as may be necessary to include all Lease Payments and Additional Payments in its annual budget and to make the necessary annual appropriations for all such payments. Under certain circumstances described under the Lease Agreement, however, Lease Payments are subject to abatement during periods of substantial interference with the County’s use and occupancy of the Property or any portion thereof. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Abatement.”

Insurance

The County is required to keep or cause to be kept casualty insurance against loss or damage by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, in an amount at least equal to one hundred percent (100%) of the replacement cost of the Property. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The County is not required by the Lease Agreement to maintain earthquake coverage with respect to the Property and the County does not expect to purchase such coverage.

To insure against loss of rental income caused by perils mentioned above, the County is required to maintain, or cause to be maintained throughout the term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any part of the Property as a result of any of the hazards described above in an amount equal to two times the maximum annual Lease Payments.

Public liability and property damage insurance coverage is required in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the County and may be maintained in the form of insurance maintained through a joint exercise of powers authority created for such purpose or in the form of self-insurance by the County. The net proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

The County shall provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date, a CLTA title insurance policy in the amount of not less than the principal amount of the Certificates, insuring the Corporation's leasehold interest in the Property and the County's subleasehold estate in the Property, subject only to Permitted Encumbrances.

See APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT—Insurance.

Abatement

Pursuant to the Lease Agreement, Lease Payments will be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the County of the Property or any portion thereof (other than certain portions of the Property which have been modified by the County as described in the Lease Agreement) to the extent to be agreed upon by the County and the Corporation and communicated by a County Representative to the Trustee. The parties agree that amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in an exhibit attached to the Lease Agreement, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed (giving due consideration to the factors identified related to fair rental value as discussed in the Lease Agreement), based upon the opinion of an MAI appraiser with expertise in valuing

such properties, or based upon any other appropriate method of valuation, in which event the Lease Payments will be abated such that they represent said fair rental value. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as communicated by a County Representative to the Trustee. In the event of any such damage or destruction, the Lease Agreement will continue in full force and effect and the County waives any right to terminate the Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there will be no abatement of Lease Payments under the Lease Agreement to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under the Lease Agreement. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance,” APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement—Insurance and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement—Abatement of Lease Payments in the Event of Damage or Destruction.

Eminent Domain

Pursuant to the Lease Agreement, if all of the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if all of the Property or any part thereof is taken temporarily under the power of eminent domain, (1) the Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there will be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments under the Lease Agreement, in an amount to be agreed upon by the County and the Corporation and communicated to the Trustee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property, except to the extent of special funds, if any, available for the payment of Lease Payments. The Net Proceeds of such eminent domain award are required to be applied to the redemption of Certificates as provided in the Lease Agreement and the Trust Agreement.

No Reserve Fund

A reserve fund will not be funded for the Certificates.

Optional Prepayment

Pursuant to the Lease Agreement, the County has an option to prepay the principal components of the Lease Payments in full, by paying the aggregate unpaid principal components of the Lease Payments, or in part, in a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, together with the premium set forth for the redemption of Certificates. See “THE CERTIFICATES—Redemption—Optional Redemption.”

Said option may be exercised with respect to Lease Payments due on and after October 15, ____, in whole or in part on any date, commencing October 15, ____. In the event of prepayment in part, the partial prepayment will be applied against Lease Payments in such order of payment date as will be selected by the County. Lease Payments due after any such partial prepayment will be in the amounts set forth in a revised Lease Payment schedule which will be provided by, or caused to be provided by, the County to the Trustee and which will represent an adjustment to the schedule set forth in the Lease Agreement tak-

ing into account said partial prepayment. The Trustee agrees to notify the Corporation in the event of any prepayment of Lease Payments, as provided in the Trust Agreement.

Mandatory Prepayment from Net Proceeds of Insurance, Title Insurance or Eminent Domain

The County will be obligated to prepay the Lease Payments, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of an insurance, title insurance or condemnation award with respect to the Property theretofore deposited in the Lease Payment Fund for such purpose pursuant to the Lease Agreement and the Trust Agreement. The County and the Corporation agree that such Net Proceeds will be applied first to the payment of any delinquent Lease Payments, and thereafter will be credited towards the County's obligations under the mandatory prepayment provisions of the Lease Agreement. Lease Payments due after any such partial prepayment will be in the amounts set forth in a revised Lease Payment schedule which will be provided by, or caused to be provided by, the County to the Trustee and which will represent an adjustment to the schedule set forth in the Lease Agreement taking into account said partial prepayment. See "THE CERTIFICATES—Redemption—Extraordinary Redemption from Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award."

Substitution or Release of Site or Facility

Substitution of Site or Facility. The County shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") and/or a substitute facility (a "Substitute Facility") for the Site (the "Former Site"), or a portion thereof, and/or the Facility (the "Former Facility"), or a portion thereof, provided that the County shall satisfy all of the following requirements (to the extent applicable) which are hereby declared to be conditions precedent to such substitution:

(a) If a substitution of the Site, the County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(b) If a substitution of the Site, the County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(c) If a substitution of the Facility, the County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(d) If a substitution of the Facility, the County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(e) The County shall certify in writing to the Corporation, the Trustee and BAM that such Substitute Site and/or Substitute Facility serve the purposes of the County, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the County is permitted to lease under the laws of the State;

(f) The County delivers to the Trustee, the Corporation and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to the Trust Agreement applies with respect to the Substitute Site and/or Substitute Facility;

(g) If with respect to the substitution of the Site, the County shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(h) The Substitute Site and/or Substitute Facility shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(i) The County shall certify that the Substitute Site and/or the Substitute Facility is of the same or greater essentiality to the County as was the Former Site and/or the Former Facility;

(j) The County shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation;

(k) The County shall furnish the Corporation, the Trustee and BAM with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to State personal income taxes; and

(l) BAM shall provide written consent to such substitution.

Release of Site. The County shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the County shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(a) The County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which describes the Site, as revised by such release;

(b) The County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which describes the Site, as revised by such release;

(c) The County delivers to the Trustee, the Corporation and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Site, as revised by such release, is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Site, as revised by such release;

(d) Such release shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(e) The County shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation; and

(f) BAM shall provide written consent to such release.

Release of Facility. The County shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facility, provided that the County shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(a) The County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which describes the Site, as revised by such release;

(b) The County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which describes the Site, as revised by such release;

(c) The County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which describes the Facility, as revised by such release;

(d) The County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which describes the Facility, as revised by such release;

(e) The County delivers to the Corporation, the Trustee and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Facility, as revised by such release;

(f) Such release shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee; and

(g) The County shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation.

Notwithstanding the foregoing, the County hereby agrees that, upon the completion of the County's new Sheriff's facility, to be located at _____ (the "New Sheriff's Facility"), it will substitute the Site and the Facility for the New Sheriff's Facility and the site thereof (the "New Sheriff's Facility Site"), shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(a) The County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which adds thereto a description of the New Sheriff's Facility Site and deletes therefrom the description of the Former Site;

(b) The County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which adds thereto a description of the New Sheriff's Facility Site and deletes therefrom the description of the Former Site;

(c) The County shall file with the Corporation, the Trustee and BAM an amendment to the Site and Facility Lease which adds thereto a description of the New Sheriff's Facility and deletes therefrom the description of the Former Facility;

(d) The County shall file with the Corporation, the Trustee and BAM an amendment to the Lease Agreement which adds thereto a description of the New Sheriff's Facility and deletes therefrom the description of the Former Facility;

(e) The County shall certify in writing to the Corporation, the Trustee and BAM that the New Sheriff's Facility serves the purposes of the County, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the County is permitted to lease under the laws of the State;

(f) The County delivers to the Trustee, the Corporation and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to the Trust Agreement applies with respect to the New Sheriff's Facility;

(g) The County shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which adds thereto a description of the New Sheriff's Facility Site and deletes therefrom the description of the Former Site;

(h) The New Sheriff's Facility shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(i) The County shall certify that the New Sheriff's Facility is of the same or greater essentiality to the County as was the Former Site and the Former Facility;

(j) The County shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation; and

(k) The County shall furnish the Corporation, the Trustee and BAM with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to State personal income taxes.

Generally. The Corporation and the County may at any time amend or modify any of the provisions of the Lease Agreement, but only (i) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates and BAM, or (ii) without the consent of any of the Owners, but with the prior written consent of BAM, but only if such amendment or modification is for any one or more of the following purposes:

(a) to add to the covenants and agreements of the County contained in the Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the County;

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

(c) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Certificates under the Code, in the opinion of Bond Counsel.

Amendment of Lease Agreement

The Corporation and the County may, at any time, amend or modify any of the provisions of the Lease Agreement, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates, or (b) without the consent of any of the Owners, but only if such amendment or modification is for any one or more of the following purposes:

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

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

(iii) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Certificates under the Code, in the opinion of Special Counsel.

MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

Concurrently with the delivery of the Certificates, BAM will issue the Municipal Bond Insurance Policy for the Certificates. The Municipal Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Certificates when due as set forth in the form of the Municipal Bond Insurance Policy included as an exhibit to this Official Statement.

The Municipal Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Certificates, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Certificates. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Certificates on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Certificates, nor does it guarantee that the rating on the Certificates will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$472.1 million, \$31.0 million and \$441.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, BAM has not independently verified, makes no representation regarding, and

does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “MUNICIPAL BOND INSURANCE.”

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at buildamerica.com/creditsights/

Obligor Disclosure Briefs. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Obligor Disclosure Brief for those bonds. These pre-sale Obligor Disclosure Briefs provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Obligor Disclosure Briefs will be updated and superseded by a final Obligor Disclosure Brief to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Obligor Disclosure Briefs are easily accessible on BAM’s website at buildamerica.com/obligor/. BAM will produce an Obligor Disclosure Brief for all bonds insured by BAM, whether or not a pre-sale Obligor Disclosure Brief has been prepared for such bonds.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer or the underwriter for the Certificates, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Certificates. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Certificates, whether at the initial offering or otherwise.

THE COUNTY

General

The County was one of the original 27 counties established by the Legislature of the State in 1850. The County is located in the northern part of the Sacramento Valley. The City of Marysville, the County seat, is located at the confluence of the Feather and Yuba rivers, 120 miles east of San Francisco, and 45 miles north of the State Capital in Sacramento.

According to the U.S. Census Bureau, the county has a total area of 644 square miles (1,670 km²), of which 632 square miles (1,640 km²) is land and 12 square miles (31 km²) (1.9%) is water. It is the fifth-

smallest county in California by total area. The county lies along the western slope of the Sierra Nevada, the steep slopes making it prime territory for the siting of hydroelectric power plants.

A portion of the county, where Marysville (the county seat) and most of the population lives, is west of the mountains on the valley floor. There is a great deal of agriculture business in this part of the county, especially fruit orchards, rice fields, and cattle grazing.

Organization; Personnel

The County is governed by a five-member Board of Supervisors (the “Board”) who serve staggered four-year terms. The Chairman is elected by and from among the members of the Board. Elections for members of the Board of Supervisors are held every two years. Policy and legislative authority are vested in the Board, which is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees, as well as hiring the County Administrator and the County Counsel. The County Administrative Officer is responsible for carrying out the policies and ordinances of the Board, and for overseeing the day-to-day operation of the County. Other elected officials of the County include the District Attorney-Public Administrator, the Auditor-Controller, Superior Court Judges, Municipal Court Judges, Treasurer-Tax Collector, School Superintendent, Assessor, Sheriff-Coroner and Clerk-Recorder. The current members of the County Board and key administrative personnel are set forth on page “iii” of this Official Statement.

The County organization is divided into 25 departments. Six of these departments are headed by officials elected by the voters in elections conducted during gubernatorial election years: Sheriff/Coroner, District Attorney, Clerk-Recorder, Assessor, Auditor/Controller and Treasurer/Tax Collector. Six departments are headed by officials appointed by the Board of Supervisors: Clerk of the Board, Agriculture Commissioner, County Counsel, County Administrator, Behavioral Health, Public Health, Probation and Public Defender. The remaining 12 departments are headed by officials appointed by the County Administrative Officer or his designates.

County Services

The County provides a wide range of services to its residents, including police protection, medical and health care, senior citizen assistance, consumer affairs, public libraries, judicial institutions including support programs, airport service, parks, and a variety of public assistance programs. Other services such as fire protection, lighting road maintenance, and flood control are provided by special districts which are governed by the Board of Supervisors.

Some municipal services are provided by the County, on a contractual basis, to incorporated cities within its boundaries. This allows cities to contract for municipal services without incurring the cost of creating numerous city departments and facilities.

See APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COUNTY for demographic and statistical information.

COUNTY FINANCIAL INFORMATION

Financial Statements

The County's accounting policies conform to generally accepted accounting principles. The audited financial statements also conform to the principles and standards for public financial reporting established by the Governmental Accounting Standards Board.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. The County retained the firm of Gallina LLP, Roseville, California (the "County's Auditor"), to examine the general purpose financial statements of the County as of and for the year ended June 30, 2014. The audited financial statements for fiscal year ended June 30, 2014, are included in APPENDIX B—AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE YEAR ENDED JUNE 30, 2014. The County has not requested, and the County's Auditor has not provided, any review or update of such financial statements in connection with their inclusion in this Official Statement.

Budgetary Process

The Board of Supervisors adopts an annual budget with appropriations for all County funds prior to the beginning of the fiscal year, which begins on July 1 of each year. The Board of Supervisors has the legal authority to amend the budget at any time during the fiscal year. The County maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board of Supervisors. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the County's operating budget is at the fund level. For the operating budget, the County Administrator has the authority to move appropriations between accounts (without dollar limitation) within a budget program and within the same fund. All other appropriation changes require the approval of the Board of Supervisors. The County Administrator provides quarterly expenditure and revenue reports to the Board of Supervisors and also presents to the Board a mid-year review.

All appropriations lapse at the end of the fiscal year unless specific carryovers are approved by the Board of Supervisors.

The following table shows the County's budget and actual results for general fund revenues and expenditures for fiscal year 2013-14, the budget and unaudited actuals for fiscal year 2014-15 and the proposed budget for fiscal year 2015-16.

TABLE 1
General Fund Budget Summary
Fiscal Years 2013-14 through 2015-16

	Final Budget FY13-14	Actual FY13-14	Final Budget FY14-15	Unaudited Actual FY14-15	Final Budget FY15-16
Revenues					
Taxes	21,716,815	23,275,666			
Licenses, permits and fees	3,135,051	1,755,397			
Fines, forfeits and penalties	629,000	862,449			
Use of money and property	303,582	361,543			
Intergovernmental	4,843,183	4,920,407			
Charges for services	5,100,686	5,150,811			
Other revenues	1,000	310,127			
Amounts available for appropriation	35,729,317	36,636,400			
Charges to appropriations (outflows):					
General government	10,175,993	9,555,946			
Public protection	12,588,930	11,702,299			
Health and sanitation	1,676,937	1,384,011			
Public assistance	569,566	537,566			
Education	507,415	516,054			
Recreation	-	-			
Capital outlay	407,985	-			
Total charges for appropriations	25,926,826	23,695,876			
Excess (Deficiency) of Revenues over Expenditures	9,802,491	12,940,524			
Other Financing Sources (Uses):					
Transfers in	313,152	497,431			
Transfers out	(13,122,392)	(13,277,736)			
Total Other Financing Sources (Uses)	(12,809,240)	(12,780,305)			
Net Change in Fund Balances	(3,006,749)	160,219			
Fund Balances – Beginning of Year	15,299,951 ⁽¹⁾	17,313,931			
Fund Balances – End of Year	12,293,202	17,474,150			

Source: County of Yuba FY13-14 CAFR, County of Yuba Finance Department. FY14-15 data is unaudited.

(1) Fund balances at the beginning of FY13-14 differs from the FY12-13 ending fund balances due to a change in the internal fund grouping identified that makes up the General Fund. The change was identified through internal processes and was deemed necessary to improve clarity of financial reporting.

County Financial Management Policies

The Board of Supervisors has adopted a comprehensive set of financial management policies to provide for: (i) establishing targeted general fund reserves; and (ii) the prudent investment of County funds. The County's practice is to incur debt only after deliberation over the effect of such debt on the County's General Fund and other resources of the County, and in those circumstances where the use of

debt would be appropriate to the scale and economic life of the asset being financed and the accumulation or availability of reserves to fund the capital requirement.

General Fund Reserve Policy. The following table shows the County’s general fund reserve policy guidance, actual reserves for fiscal year 2014-15 and proposed reserve for fiscal year 2015-16.

TABLE 2
General Fund Reserve Policy

	Policy Guidance	Actual FY 2014-15	Proposed FY 2015-16
% of Expenses	5%	7.05%	7.59%

Source: County of Yuba Finance Department.

Investment Policy. The investment of funds of the County (except pension and retirement funds) is made in accordance with the County’s Investment Policy, most recently approved on December 21, 2011 (the “Investment Policy”), and section 53601 *et seq.* of the California Government Code. The Investment Policy is subject to revision at any time and is reviewed at least annually to ensure compliance with the stated objectives of safety, liquidity, yield, and current laws and financial trends. All amounts held under the Trust Agreement are invested at the direction of the County in Permitted Investments, as defined in the Trust Agreement, and are subject to certain limitations contained therein. See APPENDIX C—INVESTMENT POLICY OF THE COUNTY and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—TRUST AGREEMENT—Investments.

Current Investments

The County’s investment portfolio, as of June 30, 2015, including cash and investments, had a market value of \$321,007,410.

Principal Sources of General Fund Revenues

Property taxes were the single largest revenue source to the general fund in fiscal year 2014-15, representing approximately _____% of revenues. Sales taxes represented approximately _____% of revenues. For a discussion of potential State Budget impacts on general fund revenues, see “—State Budgets.” For a discussion of sales tax revenues and property taxes, see “—Sales Tax” and “—*Ad valorem* Property Taxation.”

The following table shows the County's general fund tax revenues by source for the most recent four fiscal years and the budgeted tax revenues for the 2015-16 fiscal year:

TABLE 3
Tax Revenues By Source

Source	Actual FY11-12	Actual FY12-13	Actual FY13-14	Unaudited Actual FY14-15	Final Budget FY15-16
Property Taxes	\$ 19,388,503	\$ 18,711,589			
Sales & Use Tax ⁽¹⁾	2,676,756	2,804,341			
Other Taxes ⁽²⁾	899,175	1,062,435			
Total Tax Revenues	<u>\$ 22,964,434</u>	<u>\$ 22,578,365</u>	<u>\$ 23,275,666</u>		

Source: County of Yuba Finance Department. FY14-15 data is unaudited.

(1) Includes sales tax and sales tax in-lieu.

(2) Includes sales tax transportation, transient occupancy tax, timber taxes and property doc transfer tax.

In addition, the County receives the following general fund revenues:

Licenses and Permits. Major source of revenue within this category consists of construction permits and franchise fees.

Fines, Forfeitures and Penalties. This category consists of revenue collections attributed to court ordered fines and fees.

Use of Money and Property. This category consists of investment earnings and rental/concession income.

Intergovernmental. This category consists of revenues received from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Charges for Services. This category consists of revenues received for municipal services. The major revenue source within this category is tipping fees and environmental health fees.

Other Revenues/Transfers In or Out. This category consists of operating transfers from or to other funds.

The following table illustrates other revenue sources by source for the most recent four fiscal years and the budgeted tax revenues for the 2015-16 fiscal year:

TABLE 4
Other Revenue Sources

Source	Actual FY11-12	Actual FY12-13	Actual FY13-14	Unaudited Actual FY14-15	Final Budget FY15-16
Licenses & Permits	\$ 210,841	\$ 638,005	\$ 1,755,397		
Fines, Forfeitures	554,311	485,927	862,449		
Use of Money & Property	627,935	447,799	361,543		
Intergovernment	4,518,799	4,605,566	4,920,407		
Charges for Services	5,367,419	5,325,067	5,150,811		
Other Revenues	213,527	325,991	310,127		
Total Other Revenues	<u>\$ 11,492,832</u>	<u>\$ 11,828,355</u>	<u>\$ 13,360,734</u>		

Source: County of Yuba Finance Department. FY14-15 data is unaudited.

Property Taxes

Tax Levies, Collections and Delinquencies. Property taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County. Property taxes collected in advance are recorded as deferred revenue and recognized as revenue in the year they become available. The County levies, bills and collects property taxes for the County. Property taxes paid to the County by the County within 60 days after the end of the fiscal year are “available” and are, therefore, recognized as revenue.

For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State/assessed public utilities property and property the taxes on which are a lien on real property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Secured and unsecured property taxes are levied based on the assessed value as of January 1, the lien date, of the preceding fiscal year. Secured property tax is levied on October 1 and due in two installments, on November 1 and March 1. Collection dates are December 10 and April 10 which are also the delinquent dates. At that time, delinquent accounts are assessed a penalty of 10%. Accounts that remain unpaid on June 30 are charged an additional 1.5% per month. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County Treasurer.

Unsecured property tax is levied on July 1 and due on July 31, and has a collection date of August 31 which is also the delinquent date. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing

a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuation. All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from ad valorem property taxation for certain classes of property such as churches, colleges, nonprofit hospitals and charitable institutions.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

The passage of Assembly Bill 454 in 1987 changed the manner in which unitary and operating nonunitary property is assessed by the State Board of Equalization. The legislation deleted the formula for the allocation of assessed value attributed to such property and imposed a State-mandated local program requiring the assignment of the assessment value of all unitary and operating non-unitary property in each county of each State assessee other than a regulated railway company. The legislation established formulas for the computation of applicable county-wide rates for such property and for the allocation of property tax revenues attributable to such property among taxing jurisdictions in the county beginning in fiscal year 1988-89. This legislation requires each County to issue each State assessee, other than a regulated railway company, a single tax bill for all unitary and operating nonunitary property.

Assessment Appeals. Property tax values determined by the County Assessor may be subject to appeal by property owners. Assessment appeals are annually filed with the Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant/property owner.

Each assessment appeal could result in a reduction of the taxable value of the real property, personal property or possessory interest of the property which is the subject of the appeal. Alternatively, an appeal may be withdrawn by the applicant or the Assessment Appeals Board may deny or modify the appeal at a hearing or by stipulation.

Effect of Delinquencies and Foreclosures on Property Tax Collections. As described above, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage holder, all past due property taxes, penalties and interest are required to be paid before the property can be transferred to a new owner.

Set forth in the table below are assessed valuations for secured and unsecured property within the County for the five most recent fiscal years.

TABLE 5
Assessed Valuations

Fiscal Year	Local Secured	Non-Unitary Utility	Unsecured	Total	Unitary Utility
2011-12	4,287,348,486	3,151,648	216,493,673	4,506,993,807	239,356,612
2012-13	4,191,944,409	2,920,705	215,108,604	4,409,973,718	237,467,244
2013-14	4,260,103,595	2,756,080	213,440,203	4,476,299,878	244,315,050
2014-15	4,510,758,556	2,756,080	213,390,710	4,726,905,346	246,402,974
2015-16	4,667,532,500	2,756,080	217,063,927	4,887,352,507	261,003,152

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of parcels in the County, according to assessed valuation.

TABLE 6
Assessed Valuation and Parcels by Land Use
Fiscal Year 2015-16

	2015-16 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	760,968,576	16.30%	4,039	12.86%
Commercial/Office	293,080,881	6.28	624	1.99
Vacant Commercial	32,089,651	.69	269	.86
Industrial	194,921,088	4.18	172	.55
Vacant Industrial	8,190,903	.18	172	.55
Recreational	46,624,031	1.00	28	.09
Government/Social/Institutional	362,064	.01	1,784	5.68
Miscellaneous	21,419,346	.46	79	.25
Subtotal Non-Residential	1,357,656,540	29.09%	7,167	22.83%
Residential:				
Single Family Residence	2,797,001,768	59.92%	17,706	56.40%
Condominium/Townhouse	11,692,433	.25	237	0.75
Mobile Home	232,920,302	4.99	2,701	8.60
Mobile Home Park	22,799,161	.49	35	0.11
Hotel/Motel	12,999,486	.28	14	0.04
2-3 Residential Units	42,323,899	.91	352	1.12
4+ Residential Units/Apartments	105,723,522	2.27	200	0.64
Miscellaneous Residential	21,861,317	.47	269	0.86
Vacant Residential	62,554,072	1.34	2,715	8.65
Subtotal Residential	3,309,875,960	70.91%	24,229	77.17%
Total	4,667,532,500	100.00%	31,396	100.00%

Source: California Municipal Statistics, Inc.

(1) Local Secured Assessed Valuation; excluding tax-exempt property.

Assessed Valuation of Single Family Residential Parcels. The following table shows a breakdown of the assessed valuations of Single Family Residential parcels in the County, according to assessed valuation.

TABLE 7
Per Parcel 2015-16 Assessed Valuation of Single Family Homes

	No. of Parcels	2015-16 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	17,706	2,797,001,768	157,969	141,087

2015-16 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	276	1.559%	1.559%	4,924,563	.176%	.176%
\$25,000 - \$49,999	1,316	7.433	8.991	51,817,873	1.853	2.029
\$50,000 - \$74,999	1,941	10.962	19.954	121,370,489	4.339	6.368
\$75,000 - \$99,999	2,193	12.386	32.339	191,303,138	6.840	13.208
\$100,000 - \$124,999	1,893	10.691	43.031	212,188,863	7.586	20.794
\$125,000 - \$149,999	1,687	9.528	52.558	230,325,686	8.235	29.029
\$150,000 - \$174,999	1,622	9.161	61.719	261,829,178	9.361	38.390
\$175,000 - \$199,999	1,370	7.737	69.457	256,461,302	9.169	47.559
\$200,000 - \$224,999	1,495	8.443	77.900	317,596,254	11.355	58.914
\$225,000 - \$249,999	1,366	7.715	85.615	321,074,315	11.479	70.393
\$250,000 - \$274,999	898	5.072	90.687	233,381,988	8.344	78.737
\$275,000 - \$299,999	515	2.909	93.595	146,748,811	5.247	83.984
\$300,000 - \$324,999	326	1.841	95.437	101,427,329	3.626	87.610
\$325,000 - \$349,999	207	1.169	96.606	69,547,295	2.486	90.096
\$350,000 - \$374,999	142	.802	97.408	51,183,736	1.830	91.926
\$375,000 - \$399,999	129	.729	98.136	49,838,115	1.782	93.708
\$400,000 - \$424,999	73	.412	98.549	30,037,580	1.074	94.782
\$425,000 - \$449,999	60	.339	98.887	26,136,282	.934	95.717
\$450,000 - \$474,999	39	.220	99.108	18,008,153	.644	96.360
\$475,000 - \$499,999	33	.186	99.294	16,107,218	.576	96.936
\$500,000 and greater	125	.706	100.000	85,693,600	3.064	100.000
Total	17,706	100.000%		\$2,797,001,768	100.000%	

Source: California Municipal Statistics, Inc.

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Principal Taxpayers. The following table sets forth the principal secured property taxpayers in the County for the most recent fiscal year.

TABLE 8
Largest Local Secured Property Tax Payers
Fiscal Year 2015-16

	Property Owner	Primary Land Use	2015-16 Assessed Valuation	% of Total (1)
1.	Western Aggregates Inc.	Mining	28,495,903	.61%
2.	Shoei Foods USA Inc.	Food Processing	25,018,333	.54
3.	Hampac LLC	Office Building	21,000,001	.45
4.	Wal-Mart Real Estate Business Trust	Shopping Center	17,401,332	.37
5.	Airport Ranch Co.	Agricultural	16,881,203	.36
6.	BGE Yuba LLC	Amphitheater	16,040,970	.34
7.	Recology Yuba Sutter	Waste Disposal	14,806,550	.32
8.	Recology Ostrom Road	Waste Disposal	14,077,372	.30
9.	Rio Del Oro Farms #2 & #4 LLC	Agricultural	13,932,132	.30
10.	Yuba County Entertainment LLC	Agricultural	13,760,203	.29
11.	Nordic Industries Inc.	Industry	13,288,806	.28
12.	Bear River Walnut Ranch LLC	Agricultural	12,643,756	.27
13.	Naumes Inc.	Agricultural	12,545,570	.27
14.	Latigo Farms LLC	Agricultural	11,751,489	.25
15.	Michael E. Rue	Agricultural	11,303,973	.24
16.	Wheatland Farms LLC	Agricultural	11,250,661	.24
17.	Fellowship of Friends Inc.	Rural Properties	11,214,480	.24
18.	R B Satori LP	Agricultural	10,909,092	.23
19.	Danna Properties LP	Agricultural	10,538,047	.23
20.	VTR Marysville Assisted Living LP	Retirement Home	10,400,000	.22
			<u>\$297,259,873</u>	<u>6.37%</u>

Source: California Municipal Statistics, Inc.

(1) 2015-16 Local Secured Assessed Valuation: \$4,667,532,500.

Teeter Plan. The Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”) has been adopted by 53 of the 58 counties, including the County, as provided for in section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency, including cities, levying property taxes in a county receives the amount of uncollected taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the county receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. However, although a local agency receives the total levy for its property taxes without regard to actual collections, to the extent of a reserve established and held by its county for this purpose, the basic legal liability for property tax deficiencies at all times remains with the local agency. The Teeter Plan is to remain in effect unless the county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the county, the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. The board of supervisors may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in its county. Thus, so long as the County maintains its policy of collecting taxes pursuant to said procedures and the County meets the Teeter Plan requirements, the County will receive 100% of the annual installments levied without regard to

actual collections in the County. There is no assurance, however, that the County Board of Supervisors will maintain its policy of apportioning taxes pursuant to the aforementioned procedures.

In 1978, the voters of the State passed Proposition 8, a constitutional amendment to Article XIII A that allows a temporary reduction in assessed value when real property suffers a decline in value. A decline in value occurs when the current market value of real property is less than the current assessed (taxable) factored base year value as of the lien date, January 1. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS—Article XIII A of the California Constitution.”

Sales and Use Taxes

A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature, and is presently 7.50%, statewide. In addition, many of California’s cities, counties, towns and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. These district taxes can vary up to 1%, and more than one district tax may be in effect for a particular location. The County’s share of sales tax is approximately 1% when one considers the combined County share of 0.75% and the State’s 0.250% Fiscal Recovery Funding (Triple-Flip swap) explained below. With the enactment of the Triple Flip, the County now receives the 0.250% as reclassified revenue through property tax as an in lieu remittance, the payment of which heretofore coincides with the County property tax calendar.

The State’s actual administrative costs with respect to the portion of sales taxes allocable to the County are deducted before distribution and are determined on a quarterly basis.

On March 2, 2004, voters approved a statewide bond initiative formally known as the “California Economic Recovery Act.” This act authorized the issuance of \$15 billion of Economic Recovery Bonds to finance ongoing State budget deficits, which are payable from a fund established by the redirection of tax revenues known as the “Triple Flip.” The State issued \$11.3 billion of Economic Recovery Bonds prior to June 30, 2004. Under the “Triple Flip,” one-quarter of local governments’ one percent share of the sales tax imposed on taxable transactions within their jurisdiction is being redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, State legislation provides for certain property taxes to be redirected to local government. Because these property tax monies were previously earmarked for schools, the legislation provides for schools to receive other State general fund revenues. It is expected that the swap of sales taxes for property taxes will terminate once the Economic Recovery Bonds are repaid, which is currently expected to occur in approximately 9 to 13 years. See “RISK FACTORS—State Budget Information.”

Motor Vehicle In-Lieu Tax

Vehicle license fees are assessed in the amount of 2% of a vehicle’s depreciation market value for the privilege of operating a vehicle on California’s public highways. A program to offset (or reduce) a portion of the vehicle license fees (“VLF”) paid by vehicle owners was established by Chapter 322, Statutes of 1998. Beginning January 1, 1999, a permanent offset of 25% of the VLF paid by vehicle owners became operative. Various pieces of legislation increased the amount of the offset in subsequent years to the existing statutory level of 67.5% of 2% (resulting in the current effective rate of 0.65%). This level of offset was estimated to provide tax relief of \$3.95 billion in the fiscal year 2003-04.

The following table sets forth the Motor Vehicle License Fees and Property Tax In-Lieu of VLF received by the County for the last four fiscal years.

TABLE 9
Property Tax In-Lieu of VLF

	FY11-12	FY12-13	FY13-14	Estimated Actuals FY14-15	Budget FY15-16
Motor Vehicle License Fees	\$ 651,169	\$ 725,639	\$ 686,023	\$ 634,112	\$ 650,000
Property Tax In-Lieu of VLF	7,228,553	7,072,947	7,179,325	7,581,259	7,800,000
TOTAL	\$ 7,879,722	\$ 7,798,586	\$7,865,348	\$8,215,371	\$8,450,000

Source: County of Yuba Finance Department.

Senate Bill 89 was signed into law as part of the State's Fiscal Year 2011-12 Budget Act. SB 89 increases motor vehicle license fees ("VLF") by \$12. This new funding source "frees up" \$300 million of VLF revenue that had been used to fund DMV operations. Under the provisions of SB 89, this money is transferred to a new Local Law Enforcement Services Account ("LLESA") to fund law enforcement grants. In addition, beginning July 1, 2011, SB 89 transfers the remaining VLF revenue previously allocated to cities to the LLESA. Instead of cities receiving \$130 million in VLF revenues, under SB 89 they would only receive \$75 million in earmarked grants.

General Fund Revenues and Expenditures

The following two tables summarize the General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance of the County's general fund for the fiscal years 2011-12 through 2015-16.

TABLE 10
General Fund Balance Sheet
Fiscal Years 2011-12 through 2015-16

	FY11-12	FY12-13	FY13-14	Unaudited FY14-15	Budget FY15-16
ASSETS					
Cash and investments	16,365,245	15,193,927	18,029,960		
Accounts receivable	702,176	650,087	1,609,824		
Taxes receivable	67,893	70,613	-		
Interest receivable	167,990	82,846	94,812		
Notes receivable	204,918	115,068	100,393		
Loans receivable	-	-	-		
Due from other agencies	861,890	952,599	-		
Due from other funds	55,970	89,850	155,637		
Imprest cash	-	-	-		
Total Assets	18,426,082	17,154,990	19,990,626		
LIABILITIES					
Accounts payable	489,904	461,906	526,217		
Salaries and benefits payable	1,675,431	1,664,726	1,658,477		
Due to other funds	5,778	-	112,125		
Unearned revenues	-	-	-		
Deferred inflow - unavailable revenues	-	-	-		
Short-term debt	-	-	-		
Total Liabilities	2,171,113	2,126,632	2,296,819		
FUND BALANCES					
Nonspendable	204,918	115,068	100,393		
Restricted	802,197	879,830	2,662,879		
Committed	8,996,269	8,047,434	8,199,762		
Assigned	4,455,408	4,236,307	4,863,233		
Unassigned	1,796,177	1,617,193	1,647,883		
Total Fund Balances	16,254,969	14,865,832	17,474,150		
Total Liabilities and Fund Balances	18,426,082	17,154,990	19,990,626		

Source: County of Yuba 2012-2014 CAFRs, County of Yuba Finance Department. FY14-15 data is unaudited.

The following table shows the County's general fund revenues and expenditures and changes in fund balances for fiscal years 2011-12 through 2015-16.

TABLE 11
General Fund Revenues, Expenditures and Changes in Fund Balances
Fiscal Years 2011-12 through 2015-16

	FY11-12	FY12-13	FY13-14	Unaudited FY14-15	Budget FY15-16
REVENUES					
Taxes	22,964,434	22,578,365	23,275,666		
Licenses, permits, and fees	210,841	638,005	1,755,397		
Fines, forfeitures and penalties	554,311	485,927	862,449		
Use of money and property	627,935	447,799	361,543		
Intergovernmental	4,518,799	4,605,566	4,920,407		
Charges for services	5,367,419	5,325,067	5,150,811		
Other revenues	213,527	325,991	310,127		
Total Revenues	34,457,266	34,406,720	36,636,400		
EXPENDITURES					
General government	7,635,066	9,265,352	9,555,946		
Public protection	11,355,032	10,643,502	11,702,299		
Health and sanitation	1,427,690	1,454,735	1,384,011		
Public assistance	548,433	574,751	537,566		
Education	680,017	468,645	516,054		
Recreation	-	-	-		
Capital Outlay	-	-	-		
Debt Service - Principal	-	-	-		
Debt Service - Interest	-	-	-		
Total Expenditures	21,646,238	22,406,985	23,695,876		
Excess (Deficiency) of Revenues over Expenditures	12,811,028	11,999,735	12,940,524		
OTHER FINANCING SOURCES (USES):					
Transfers in	219,813	542,488	497,431		
Transfers out	(14,380,236)	(13,901,360)	(13,277,736)		
Total Other Financing Sources (Uses)	(14,160,423)	(13,358,872)	(12,780,305)		
Net Change in Fund Balances	(1,349,395)	(1,359,137)	160,219		
Fund Balances - Beginning of Year	17,604,364	16,254,969	17,313,931		
Fund Balances - End of Year	16,254,969	14,865,832	17,474,150		

Source: County of Yuba 2012-2014 CAFRs, County of Yuba Finance Department. FY14-15 data is unaudited.

OTHER COUNTY FINANCIAL INFORMATION

Labor Relations

Of the approximately 900 full time equivalent employees of the County, approximately 800 are represented by 5 labor organizations. The Yuba County Employees' Association (YCEA) is the principal labor organization which represents approximately 561 employees. The Deputy Sheriff's Association

(DSA), the second largest employee association, represents 146 employees. The YCEA has a multi-year contract ending June 30, 2017. The DSA also has a multi-year contract ending June 30, 2016. The County has historically had a successful and positive employee relations program.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For most insurable risks, the County is self-insured up to a maximum amount per claim. Amounts in excess of established limits are covered through the County's membership in the County Supervisors Association of California Excess Insurance Authority or with commercial policies.

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC-EIA), a public entity risk pool currently operating as a common risk manager and insurance program for counties. Should actual losses among pool participants be greater than anticipated, the County will be assessed its prorata share of the deficiency. Conversely, if the actual pool losses are less than anticipated, the County will be refunded its prorata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The County currently reports its risk management activities in the internal services funds, which include general liability, workers' compensation, health, unemployment and short-term disability. All of the County funds participate in the County self-insured programs and make payments to the corresponding internal service fund based on estimated costs to pay prior and current years' claims. The estimated claims liability of \$1,133,000 as reported in the internal service funds at June 30, 2014, is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, as amended by GASB Statement No. 30. These statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims are based on claims loss reports and actuarial reports. Liabilities are based on the estimated cost of settling the claims.

See APPENDIX B—AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2014—Notes to Basic Financial Statements—NOTE 10.

Employee Retirement Plans

Plan Description. The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California (the "State"). Benefit provisions and all other requirements are established by state statute. Copies of PERS' annual financial reports may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy. County employees are required to contribute 7% for miscellaneous employees and 9% for safety employees of their annual covered salary. The County is required to contribute remaining

amounts necessary to fund the benefits for the actuarial members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by CalPERS Board of Administration. For the fiscal year ended June 30, 2014, the employer contribution rate was 14.927% for the miscellaneous plan and 18.943% for the safety plan. The County makes the contributions required of County employees on their behalf and for their account.

Annual Pension Cost. For fiscal year 2013-2014, the County's annual pension cost of \$8,572,818 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2012 actuarial. Assumptions included 7.50% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service ranging from 3.30% to 14.20% and include an inflation component of 2.75%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses. The unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012 was 23 years.

TABLE 12
Net Pension Obligations

Fiscal Year	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
FY12	7,332,922	100	-
FY13	7,386,715	100	-
FY14	8,572,818	100	-

Source: County of Yuba 2014 CAFR.

Funded Status and Funding Progress. The following is the funded status information for each plan as of June 30, 2013, the most recent actual valuation date:

TABLE 13
Funded Status and Funding Progress

	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
Miscellaneous	\$ 254,319,774	\$ 180,429,513	\$ 73,890,261	70.9%	\$ 35,486,289	208.2%
Safety	86,328,581	62,208,159	24,120,422	72.1	11,491,547	209.9

Source: County of Yuba 2014 CAFR.

See APPENDIX B—AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2014—Notes to Basic Financial Statements—NOTE 9.

PERS announced last year that employer pension rates would increase based upon new actuarial assumptions associated with mortality rates. According to PERS, beginning in Fiscal Year 2016-2017, employer rates will increase over the next five years an estimated total of 5-9%. Increases PERS agency members will depend on the retirement plans in place for safety and miscellaneous members. The County's retirement plan for classic members is not an enhanced benefit plan. To assist in mitigating the assumed increase, the County negotiated with its largest employee bargaining units to annually share 50/50 the employer increase effective in Fiscal Year 2015-2016 and including Fiscal Year 2016-2017, with the intent

of negotiating the same for future years. The County also adopted a policy for unrepresented management employees to begin annually sharing the increase 50/50 beginning in Fiscal Year 2015-16 in perpetuity. It is the County's intent to negotiate the same sharing formula with remaining bargaining units.

Other Post Employment Benefits

Plan Description. The County Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the County. Retiree medical benefits are provided through the California Public Employees' Retirement System healthcare program. The County contributes the Public Employees Medical and Hospital Care Act (PEMHCA) minimum required employer contribution towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Funding Policy. The contribution requirements of the plan members and the County are established and may be amended by the County. The County is not pre-funding the plan. The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The County ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 20 years.

The following are the components of the County's annual OPEB cost for the fiscal year ended June 30, 2014:

TABLE 14
Net FY14 OPEB Obligations

Annual required contribution	\$ 1,528,000
Interest on net OPEB obligation	233,000
Adjustments to ARC	(448,000)
Annual OPEB cost (expense)	1,313,000
Contributions made	(195,008)
Increase in net OPEB obligation	1,117,992
Net OPEB obligation, beginning of year	5,972,407
Net OPEB obligation, end of year	7,090,399

Source: County of Yuba 2014 CAFR.

Annual OPEB Cost and Net OPEB Obligation. The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for fiscal year 2013-14 and the prior two fiscal years is as follows:

TABLE 15
Historical Net OPEB Obligations

Fiscal Year	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
FY14	\$ 1,117,992	17.4%	\$ 7,090,399
FY13	1,238,000	13.9	5,972,407
FY12	1,375,000	11.1	4,906,000

Source: County of Yuba 2014 CAFR.

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2011, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

TABLE 16
UAAL as a % of Covered Payroll

Actuarial accrued liability (AAL)	12,964,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	12,964,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active Plan members)	48,417,000
UAAL as a percentage of covered payroll	26.78%

Source: County of Yuba 2014 CAFR.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), which is the expected long-term investment return on CERBT investments, and an annual PEMHCA minimum

cost trend rate of 4% after 3 years (actual PEMHCA minimum costs were used for the first 3 years). This rate includes a 3% inflation assumption. The actuarial value of assets is equal to the market value. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. The remaining amortization period at June 30, 2012 was 26 years.

See APPENDIX B—AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2014—Notes to Basic Financial Statements—NOTE 11.

Short-Term Obligations

The County currently has no outstanding short-term obligations.

Long-Term Obligations

Yuba Levee Financing Authority Revenue Bonds. On September 23, 2008, the Authority, a joint exercise of powers authority, created by the County and by the Yuba County Water Agency (the “Water Agency”), issued the Authority Bonds to finance a portion of the costs of certain levee improvements in the County. The Authority Bonds are special obligations of the Authority payable from revenues consisting primarily of (a) lease payments (the “Levee Lease Payments”) payable by the County under a lease agreement, dated as of September 1, 2008, between the Authority, as lessor, and the County, as lessee (the “Levee Lease Agreement”), and (b) installment payments (the “Levee Installment Payments”) payable by the Water Agency under an installment sale agreement, dated as of September 1, 2008, between the Authority, as seller, and the Water Agency, as purchaser. The County is obligated to make Levee Lease Payments in an amount equal to one-half of the principal of and interest on the Authority Bonds and the Water Agency is obligated to make Levee Installment Payments in an amount equal to the other one-half of the principal of and interest on the Authority Bonds. The County’s obligation to make the Levee Lease Payments is payable from its general fund. The Water Agency’s obligation to make the Levee Installment Payments is payable from all gross income and revenue received by the Water Agency from the ownership or operation of its water and hydroelectric system. Interest on the Authority Bonds through September 1, 2014, was paid from capitalized interest funded from a portion of the proceeds of the Authority Bonds. Thereafter, the County and the Water Agency were obligated to make their respective one-half payments.

The County levies and collects a levee impact fee (the “Fee”) on new construction and development within the certain areas protected by the levee improvements. As part of the issuance of the Authority Bonds, the County, the Water Agency and the Authority entered into an Agreement Concerning Levee Impact Fees (the “Fee Agreement”), which governs and restricts County use of Fee revenue and changes to the Fee. The County had anticipated that the Fee revenue deposited in its general fund would be sufficient to fund its share of the debt service on the Authority Bonds (following the exhaustion of the interest account funded by Authority Bonds). However, because of the long recession and ongoing recovery from it, building and construction has not resumed to such a degree as to generate sufficient Fee revenue to cover the County’s share of the debt service.

As flood control is the principle reason for creation of the Water Agency, the Agency has agreed to pay the Levee Lease Payments to the extent not funded by Fee revenue. In consideration for the County’s ongoing efforts to improve flood protection and public safety, the Water Agency agreed, pursuant to that certain Funding Agreement relating to Yuba Levee Financing Authority Bonds, dated as of October 28, 2014, that, beginning with the Levee Lease Payment due on August 15, 2015 (the “Payment Agree-

ment”), and continuing for a period of five years (to and including February 15, 2020), subject to a potential extension, the Water Agency will pay the Levee Lease Payments to the extent not covered by the Fees, on and subject to the terms of the Payment Agreement.

The Payment Agreement provides that in early 2020 (sometime prior to August 10, 2020), and every five years thereafter until full payment of the Levee Lease Payments, the County and the Water Agency will meet to (a) evaluate the status of development and buildout of the areas protected by the levees, the amount of Fee revenue collections by County from 2014 through early 2020, the forecast for Fee revenue and other County revenue and funds to be available for future Levee Lease Payments, and the Agency’s financial situation, and (b) discuss and negotiate in good faith regarding the potential of the extension of the Water Agency’s temporary debt service payment obligation. If the parties agree to an extension, the extension will be memorialized by an amendment to the Payment Agreement, which will require the approval of the governing board of each party.

Notwithstanding the forgoing, the Water Agency has no obligation to extend the Payment Agreement beyond its initial five year period. If the Water Agency elects not to extend the Payment Agreement, the County may not have sufficient general fund revenues, including the Fees, to make all Levee Lease Payments or other obligations of its general fund.

Solar Project Lease Agreement. On March 18, 2011, the County entered into a \$9,389,968.58 Lease Agreement with the Corporation to finance solar energy improvements. The lease was funded by Bank of America, N.A. (“B of A”). The lease payments made by the County, payable from the County’s general fund, are assigned to B of A. The interest rate payable under the lease is 4.50% per annum. The final payment date of the lease is March 18, 2027. As of October 1, 2015, the remaining principal balance of the lease was \$_____.

Sheriff’s Facility Certificates of Participation. On February 24, 2015, the County caused the execution and delivery of \$6,425,000 certificates of participation (the “2015 Sheriff’s Facility Certificates”) evidencing direct, undivided fractional interests of the owners thereof in lease payments to be made by the County as the rental for certain property pursuant to a lease agreement with the Corporation to finance the costs of the renovation and build out of approximately 43,000 square feet of a 56,463 square foot building located at 720 Yuba Street, Marysville, California, acquired by the County in 2011, for use as a Sheriff’s facility. The interest rate payable with respect to the 2015 Sheriff’s Facility Certificates is 5.00% per annum. The final payment date of the lease is February 1, 2045. As of October 1, 2015, the remaining principal balance of the lease was \$6,425,000.

See APPENDIX B—AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2014—Notes to Basic Financial Statements—NOTE 6.

Overlapping Debt

Set forth below is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc. and effective October 1, 2015. The Debt Report is included for general information purposes only. The County has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the County in whole or in part. Such long-term obligations generally are not payable from revenues of the County (except as indicated) nor are they

necessarily obligations secured by land within the County. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the County; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the County; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the County, as determined by multiplying the total outstanding debt of each agency by the percentage of the County's assessed valuation represented in column 2.

TABLE 17
Direct and Overlapping Bonded Debt as of October 1, 2015

YUBA COUNTY

2015-16 Assessed Valuation: \$5,148,355,659 (includes unitary utility valuation)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable⁽¹⁾</u>	<u>Debt 10/1/15</u>
Yuba Joint Community College District	17.977%	\$ 22,703,526
Marysville Joint Unified School District	98.804	64,784,574
Western Placer Unified School District	.010	2,239
Nevada Joint Union High School District	.611	113,241
Wheatland Union High School District	100.000	5,920,000
Yuba County Community Facilities District No. 2004-1	100.000	11,130,000
Yuba County Community Facilities District No. 2005-1	100.000	5,115,000
Plumas School District Community Facilities Districts	100.000	5,000,000
Olivehurst Public Utility District Community Facilities District No. 2002-1	100.000	9,420,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$124,188,580
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Yuba County General Fund Obligations	100.000%	\$53,430,082⁽²⁾
Yuba County Board of Education Certificates of Participation	100.000	2,612,067
Sierra Joint Community College District Certificates of Participation	.001	85
Yuba Joint Community College District Certificates of Participation	17.977	2,958,243
Marysville Joint Unified School District Certificates of Participation	98.804	21,051,278
Western Placer Unified School District Certificates of Participation	.010	12,799
Wheatland Union High School District Certificates of Participation	100.000	1,942,562
Plumas School District Certificates of Participation	100.000	9,715,000
City of Marysville General Fund Obligations	100.000	7,595,000
Linda Fire Protection District Certificates of Participation	100.000	70,000
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$99,387,116
 COMBINED TOTAL DEBT		 \$223,575,696⁽³⁾

Ratios to 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.41%
Combined Direct Debt (\$53,430,082)	1.04%
Combined Total Debt	4.34%

Source: California Municipal Statistics, Inc.

- (1) Based on 2014-15 ratios.
- (2) Excludes issue to be sold.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

THE CORPORATION

The Corporation was established on May 9, 1991. The Corporation is a nonprofit, public benefit corporation created to render assistance to the County and any special districts governed by the Board with respect to acquiring, constructing and financing various public facilities and acquiring and leasing real property and equipment for the use, benefit and enjoyment of the public.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Article XIII A of the California Constitution

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition.

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

The voters of the State subsequently approved various measures which further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a “purchase” or “change of ownership” triggering reappraisal under Article XIII A. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or “severely disabled homeowners” who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence. Other amendments permit the State Legislature to allow persons who are either 55 years of age or older, or who are “severely disabled,” to transfer the old residence’s assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In the November 1990 election, the voters approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of the property damaged or destroyed in a disaster.

Section 51 of the California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property.

Section 4 of Article XIII A also provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which has been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIII B of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Article XIII B of the California Constitution limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The “base year” for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (1) if financial responsibility for providing services is transferred to the governmental entity, or (2) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (2) the investment of tax revenues and (3) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by the County over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the County in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another

unit of government. The change in the cost of living is, at the County's option, either (1) the percentage change in California per capita personal income, or (2) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is, at the County's option, either (1) the percentage change in County population, or (2) the percentage change in County population.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIII C and XIII D to the California Constitution and contained a number of interrelated provisions affecting the ability of local governments, including the County, to levy and collect both existing and future taxes, assessments, fees and charges. The County is unable to predict whether and to what extent Proposition 218 may be held to be constitutional or how its terms will be interpreted and applied by the courts. Proposition 218 could substantially restrict the County's ability to raise future revenues and could subject certain existing sources of revenue to reduction or repeal, and increase the County's costs to hold elections, calculate fees and assessments, notify the public and defend its fees and assessments in court. However, the County does not presently believe that the potential financial impact on the County as a result of the provisions of Proposition 218 will adversely affect the County's ability to pay its debt obligations and perform its other obligations payable from the General Fund as and when due.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. Further, any general purpose tax that the County imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election held within two years of November 5, 1996. The County has not enacted, imposed, extended or increased any tax without voter approval since January 1, 1995. These voter approval requirements of Proposition 218 reduce the flexibility of the County to raise revenues through General Fund taxes, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure requirements.

Article XIII C also expressly extends to voters the power to reduce or repeal local taxes, assessments, fees and charges through the initiative process, regardless of the date such taxes, assessments, fees or charges were imposed. This extension of the initiative power is not limited by the terms of Proposition 218 to fees imposed after November 6, 1996 and absent other legal authority could result in retroactive reduction in any existing taxes, assessments or fees and charges. SB 919 provides that the initiative powers extended to voters under Article XIII C likely excludes actions construed as impairment of contracts under the contract clause of the United States Constitution. SB 919 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after November 6, 1998, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution. However, no assurance can be given that the voters of the County will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges that currently

are deposited into the County's General Fund. Further, "fees" and "charges" are not defined in Article XIIC or SB 919, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIC as they do in Article XIID. Accordingly, the scope of the initiative power under Article XIIC could include all sources of General Fund monies not received from or imposed by the federal or State government or derived from investment income.

The initiative power granted under Article XIIC of Proposition 218, by its terms, applies to all local taxes, assessments, fees and charges. The County is unable to predict whether the courts will ultimately interpret the initiative provision to be limited to property related local taxes, assessments, fees and charges. No assurance can be given that the voters of the County will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges which are deposited into the County's General Fund. The County believes that in the event that the initiative power was exercised so that all local taxes, assessments, fees and charges which may be subject to the provisions of Proposition 218 are reduced or substantially reduced, the financial condition of the County, including its General Fund, would be materially adversely affected. As a result, there can be no assurances that the County would be able to pay the Lease Payments as and when due or any of its other obligations payable from the General Fund.

Article XIID of Proposition 218 adds several new requirements to make it more difficult for local agencies to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined in Proposition 218 and SB 919 as any levy or charge upon real property for a special benefit conferred upon the real property. This includes maintenance assessments imposed in County service areas and in special districts. In most instances, in the event that the County is unable to collect assessment revenues relating to specific programs as a consequence of Proposition 218, the County will curtail such services rather than use amounts in the General Fund to finance such programs. Accordingly, the County anticipates that any impact Proposition 218 may have on existing or future taxes, fees, and assessments will not adversely affect the ability of the County to pay the Lease Payments as and when due. However, no assurance can be given that the County may or will be able to reduce or eliminate such services in the event the assessments that presently finance them are reduced or repealed.

Article XIID also adds several provisions, including notice requirements and restrictions on use, affecting "fees" and "charges" which are defined as "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." The annual amount of revenues that are received by the County and deposited into its General Fund which may be considered to be property related fees and charges under Article XIID of Proposition 218 is not substantial. Accordingly, presently the County does not anticipate that any impact Proposition 218 may have on future fees and charges will not adversely affect the ability of the County to pay the Lease Payments as and when due. However, no assurance can be given that the County may or will be able to reduce or eliminate such services in the event the fees and charges that presently finance them are reduced or repealed.

Additional implementing legislation respecting Proposition 218 may be introduced in the State legislature from time to time that would supplement and add provisions to California statutory law. No assurance may be given as to the terms of such legislation or its potential impact on the County.

Proposition 1A of 2004

Proposition 1A, proposed by the Legislature in connection with the 2004-05 Budget Act, approved by the voters in November 2004 and generally effective in 2007-08 Fiscal Year, provides that the

State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. Such shifting occurred in the 2009-10 Fiscal Year. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the VLF rate then in effect, 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or 25 community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable County revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the finances of the County.

See “RISK FACTORS—State Budgets” for information relating to Proposition 1A and the suspension of Proposition 1A in the State’s 2009-10 budget.

Proposition 22

Proposition 22, entitled “The Local Taxpayer, Public Safety and Transportation Protection Act,” was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State’s authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 26

On November 2, 2010, the voters passed Proposition 26, which amends the State Constitution to require that certain state and local fees be approved by two-thirds of each house of the Legislature instead of a simple majority, or by local voters. The change in law affects regulatory fees and charges such as oil recycling fees, hazardous materials fees and fees on alcohol containers.

Proposition 26 included a provision that repealed State laws enacted between January 1, 2010, and November 2, 2010, that raised fees by a simple majority vote unless they were approved again by two-thirds of each house of the Legislature. The repeal became effective November, 2011.

The Legislative Analyst's Office was unable to specify Proposition 26's anticipated fiscal impact, but it estimated that passage of Proposition 26 would reduce government revenues and spending over time by up to billions of dollars annually compared to what otherwise would have occurred.

Future Initiatives

Article XIII A, Article XIII B, Proposition 218, Proposition 1A and Proposition 22 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations which may affect the County's revenues or its ability to expend its revenues.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Certificates. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Certificates, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Certificates are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Certificates. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Nonrenewal of Payment Agreement

As described above under "OTHER FINANCIAL INFORMATION—Long-Term Obligations—General Fund Obligations—Yuba Levee Financing Authority Revenue Bonds," the Water Agency has no obligation to extend the Payment Agreement beyond its initial five year period. If the Water Agency elects not to extend the Payment Agreement, the County may not have sufficient general fund revenues, including the Fees, to make all Levee Lease Payments or other obligations of its general fund, including the Lease Payments that support the Certificates of this issue.

Lease Payments Are Not Debt

The obligation of the County to make the Lease Payments under the Lease Agreement does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. The obligation of the County to make Lease Payments does not constitute a debt of the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the County, the County is obligated under the Lease Agreement to pay the Lease Payments from any

source of legally available funds and the County has covenanted in the Lease Agreement that, for so long as the Property is available for its use, it will make the necessary annual appropriations within its budget for the Lease Payments. The County is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Lease Payments, or which the County, in its discretion, may determine to pay prior to the Lease Payments.

The County has the capacity to enter into other obligations payable from the County's general fund, without the consent of or prior notice to the Owners of the Certificates. To the extent that additional obligations are incurred by the County, the funds available to make Lease Payments may be decreased. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other municipal services before making Lease Payments. The same result could occur if, because of State constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues. The County's appropriations, however, have never exceeded the limitations on appropriations under Article XIII B of the California Constitution. For information on the County's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS—Article XIII B of the California Constitution."

Valid and Binding Covenant to Budget and Appropriate

Pursuant to the Lease Agreement, the County covenants to take such action as may be necessary to include Lease Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon delivery of the Certificates, Special Counsel will render its opinion (substantially in the form of APPENDIX D-FORMS OF OPINIONS OF SPECIAL COUNSEL) to the effect that, subject to the limitations and qualifications described therein, the Lease Agreement constitutes a valid and binding obligation of the County.

Abatement

In the event of loss or substantial interference in the use and possession by the County of all or any portion of the Property caused by material damage, title defect, destruction to or condemnation of the Property, Lease Payments will be subject to abatement. In the event that such component of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Property or redemption of the Certificates, there could be insufficient funds to make payments to Owners in full. Reduction in Lease Payments due to abatement as provided in the Lease Agreement does not constitute a default thereunder.

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Property is substantially higher or lower than its value at the time of the execution and delivery of the Certificates. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Certificates.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell a fee simple interest in the Property and use the proceeds of such sale to prepay the Certificates or pay debt service thereon. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below.

No Reserve

The Certificates are not secured by a reserve fund. Accordingly, if there is a shortfall in Lease Payments, there may be no funds on hand with the Trustee to pay debt service with respect to the Certificates when due. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—No Reserve Fund.”

Risk of Uninsured Loss

The County covenants under the Lease Agreement to maintain certain insurance policies on the Property. See “SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance.” These insurance policies do not cover all types of risk, and the County need not obtain insurance except as available on the open market from reputable insurers. For instance, the County does not covenant to maintain earthquake insurance. The Property could be damaged or destroyed due to earthquake or other casualty for which the Property is uninsured. Additionally, the Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Lease Payments could occur and could continue indefinitely. There can be no assurance that the providers of the County’s liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Property will be sufficient to redeem the Certificates.

Under the Lease Agreement the County may obtain casualty insurance which provides for a deductible up to \$250,000. Should the County be required to meet such deductible expenses, the availability of general fund revenues to make Lease Payments may be correspondingly affected.

The County is not obligated under the Lease Agreement to procure and maintain, or cause to be procured and maintained, earthquake insurance on the Property. Depending on its severity, an earthquake could result in abatement of Lease Payments under the Lease Agreement. See “— Abatement.”

Eminent Domain

If the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if the Property or any part thereof is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking, and (b) there will be a partial abatement of Lease Payments as a result of the application of net proceeds of any eminent domain award to the prepayment of the Lease Payments, in an amount to be agreed upon by the County and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of

the remaining usable portion of the Property. The County covenants in the Lease Agreement to contest any eminent domain award which is insufficient to either: (i) prepay the Lease Payments in whole, if all the Property is condemned; or (ii) prepay a pro rata share of Lease Payments, in the event that less than all of the Property is condemned.

Hazardous Substances

The existence or discovery of hazardous materials may limit the beneficial use of the Property. In general, the owners and lessees of the Property may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well known and widely applicable of these laws, but California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or lessee is obligated to remedy a hazardous substance condition of the property whether or not the owner or lessee had anything to do with creating or handling the hazardous substance.

Further it is possible that the beneficial use of the Property may be limited in the future resulting from the current existence on the Property of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the Property of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly limit the beneficial use of the Property.

The County is unaware of the existence of hazardous substances on the Property site which would materially interfere with the beneficial use thereof.

Earthquakes

The County is not legally obligated under the Lease Agreement to maintain, or cause to be maintained, earthquake insurance on the Property and no assurance is made that any earthquake insurance will be maintained. If there were to be an occurrence of severe seismic activity in the County, there could be substantial damage to and interference with the County’s right to use and occupy all or a portion of the Property, which could result in Lease Payments being subject to abatement. Additionally, severe seismic activity in the County could impact the County’s general fund expenditures. See “CERTAIN RISK FACTORS—Abatement” above.

Bankruptcy

The County is a unit of State government and therefore is not subject to the involuntary procedures of the United States Bankruptcy Code (the “Bankruptcy Code”). However, pursuant to Chapter 9 of the Bankruptcy Code, the County may seek voluntary protection from its creditors for purposes of adjusting its debts. In the event the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County; (ii) the avoidance of preferential transfers occurring during the

relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Owners of Certificates; and (iv) the possibility of the adoption of a plan for the adjustment of the County's debt (a "Plan") without the consent of the Trustee or all of the Owners of Certificates, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the County could either reject the Lease Agreement or assume the Lease Agreement despite any provision of the Lease Agreement which makes the bankruptcy or insolvency of the County an event of default thereunder. In the event the County rejects the Lease Agreement, the Trustee, on behalf of the Owners of the Certificates, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the Certificates. Moreover, such rejection would terminate the Lease Agreement and the County's obligations to make payments thereunder.

Pension Benefit Liability

Many factors influence the amount of the County's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of PERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the County, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of PERS. Any of these factors could give rise to additional liability of the County to its pension plans as a result of which the County would be obligated to make additional payments to its pension plans in order to fully fund the County's obligations to its pension plans.

Early Redemption Risk

Early redemption of the Certificates may occur in whole or in part without premium, on any date if the Property or a portion thereof is lost, destroyed or damaged beyond repair or taken by eminent domain and from the proceeds of title insurance, or on any Interest Payment Date, without a premium (see "THE CERTIFICATES - Redemption"), if the County exercises its right to prepay Lease Payments in whole or in part pursuant to the provisions of the Lease Agreement and the Trust Agreement.

Limitations on Remedies

The enforcement of any remedies provided in the Lease Agreement and the Trust Agreement could prove both expensive and time consuming. Although the Lease Agreement provides that if the County defaults the Trustee may reenter the Property and re-let the Property, portions of the Property may not be easily recoverable, and even if recovered, could be of little value to others because of the Property's specialized nature. Additionally, the Trustee may have limited ability to re-let the Property to provide a source of rental payments sufficient to pay the principal and interest with respect to the Certificates so as to preserve the tax-exempt nature of interest with respect to the Certificates. Furthermore, due to the governmental nature of the Property, it is not certain whether a court would permit the exercise of the remedy of re-letting with respect thereto.

Alternatively, the Trustee may terminate the Lease Agreement and proceed against the County to recover damages pursuant to the Lease Agreement. Any suit for money damages would be subject to limi-

tations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

The rights of the Owners of the Certificates are subject to certain limitations on legal remedies against cities, redevelopment agencies and other governmental entities in the State, including but not limited to a limitation on enforcement against funds that are otherwise needed to serve the public welfare and interest. Additionally, the rights of the Owners of the Certificates may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws limiting or otherwise affecting the enforcement of creditors' rights generally (as such laws are now or hereafter may be in effect), (ii) equity principles (including but not limited to concepts of materiality, reasonableness, good faith and fair dealing) and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law, (iii) the exercise by the United States of America of the powers delegated to it by the Constitution, and (iv) the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy proceedings for public agencies, there are no involuntary petitions in bankruptcy. If the County were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Corporation could be prohibited or severely restricted from taking any steps to enforce their rights under the Lease Agreement and from taking any steps to collect amounts due from the County under the Lease Agreement.

Special Counsel has limited its opinion as to the enforceability of the Lease Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Certificates are not subject to acceleration in the event of the breach of any covenant or duty under the Lease Agreement. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Risk of Tax Audit

In December 1999, as a part of a larger reorganization, the Internal Revenue Service (the "Service"), commenced operation of its Tax Exempt and Government Entities Division (the "TE/GE Division"), as the successor to its Employee Plans and Exempt Organizations division. The new TE/GE Division has a subdivision that is specifically devoted to tax-exempt bond compliance. Public statements by Service officials indicate that the number of tax-exempt bond examinations (which would include securities such as the Certificates) is expected to increase significantly under the new TE/GE Division. There is no assurance that if an examination of the Certificates was undertaken that it would not adversely affect the market value of the Certificates. See "TAX MATTERS." The County has not been contacted by the Service regarding the examination of any of its bond transactions.

State Budgets

Information regarding the State Budget is regularly available at various State-maintained websites. The Fiscal Year 2015-16 State Budget further described below may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the County, and the County takes no

responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Proposed Fiscal Year 2015-16 Budget. The Governor's proposed State budget for Fiscal Year 2015-16 (the "Proposed 2015-16 Budget") was released on January 9, 2015. The Proposed 2015-16 Budget assumes total State general fund revenues and transfers of \$108 billion and authorizes total expenditures of \$111.7 billion for Fiscal Year 2014-15. The LAO's Overview of the Proposed 2015-16 Budget, released on January 13, 2015 (the "2015-16 LAO Overview"), noted that the State is projected to end Fiscal Year 2014-15 with a general fund surplus of \$2.1 billion, comprised of a balance of \$452 million in the State's traditional budget reserve and a balance of \$1.6 billion in the Budget Stabilization Account. For Fiscal Year 2015-16, the Proposed 2015-16 Budget assumes total State general fund revenues of \$113.4 billion and authorizes expenditures of \$113.3 billion. In addition, the Proposed 2015-16 Budget revises the Fiscal Year 2013-14 minimum funding guarantee upward to \$58.7 billion (an increase of \$371 million from the estimate included in the 2014-15 State Budget) and for Fiscal Year 2014-15, revises the minimum funding guarantee to \$63.2 billion (approximately \$2.3 billion higher than that included in the 2014-15 State Budget). In addition, for Fiscal Year 2015-16, the Proposed 2015-16 Budget sets the minimum funding guarantee at \$65.7 billion, including \$47 billion from the State general fund, which reflects an increase of \$2.6 billion from the revised level for Fiscal Year 2014-15.

The 2015-16 LAO Overview also notes that, despite the increase in the minimum guarantee, the State general fund share is only \$371 million with a projected growth in available local property tax collections accounting for the balance, and that for purposes of Proposition 98, Fiscal Year 2015-16 is a "Test 2" year, with the minimum guarantee driven primarily by an increase in per-capita personal income. The LAO noted the following:

- *Higher Revenue Projections and Spending Increases.* The administration projects that general fund tax revenues will end 2014-15 more than \$2 billion above its projections in last June's State budget package. Further, the administration projects that the general fund's three major taxes collectively will increase by over \$5.6 billion in 2015-16, to a level that is more than \$1 billion above administration estimates from last June for the 2015-16 fiscal year. These higher revenue projections result in a multibillion-dollar influx of new funds for schools and community colleges under the Proposition 98 minimum funding guarantee. The administration's budget estimates also assume that general fund spending for Medi-Cal, the State's primary health care program for low-income people, is up by hundreds of millions of dollars in 2014-15, compared to last year's budget assumptions, and by about \$800 million above that level in 2015-16. The budget identifies other increased health and human services costs and potential budgetary risks.
- *Governor's Priorities.* In the near term, the Governor's reluctance to propose significant new program commitments outside of Proposition 98 could help avoid a return to the boom and bust budgeting of the past. His proposal to pay off the State government's retiree health liabilities over the next few decades would, if fully funded, address the last of the State government's large un-addressed liabilities. Over the long run, eliminating those liabilities would significantly lower State costs, affording future generations more flexibility in public budgeting. The Governor, however, proposes no additional funds to implement the plan. Proposition 2 provides a stream of dedicated funding for debt payments that is available to address these retiree health liabilities.
- *Higher Revenues Likely for 2014-15.* Recent strong economic data and a surge in State income tax collections in December led the LAO to conclude that the State likely will collect more tax reve-

nue in 2014–15 than the administration now estimates. Barring a sustained stock market drop, an additional 2014–15 revenue gain of \$1 billion to \$2 billion seems likely. Even bigger gains of a few billion dollars more are possible. Additional revenues in 2014–15 will go largely or entirely to schools and community colleges and could result in a few billion dollars of higher ongoing State payments to schools. Whether tax revenues grow further, stagnate, or, in the worst case, decline in 2015–16 will depend in large part on trends in volatile capital gains and business income. History tells us that the current strength of State revenues, bolstered by a soaring stock market last year, may not continue for long. As the Governor argues, the budget remains vulnerable to downturns that may re-emerge with little warning. Building budget reserves and paying down State debts remain important goals.

Significant proposals or adjustments set forth in the Proposed 2015-16 Budget affecting California public agencies include the following:

- *Law Enforcement.* The Proposed 2015-16 Budget proposes to continue \$40 million general fund allocation to “front line” law enforcement activities. The Board of State and Community Corrections allocates funds to individual cities acting as the fiduciary agent within each county receiving the funds.
- *Transportation.* The Proposed 2015-16 Budget includes total funding of \$15.8 billion (\$84 million general fund and \$15.7 billion other funds) for all programs administered within the State Transportation Agency. In addition, the shared revenues budget allocates over \$1.4 billion in fuel excise tax to cities and counties for local streets and roads.
- *Elimination of Redevelopment Agencies.* The Proposed 2015-16 Budget anticipates that in 2014-15 and 2015-16 combined, cities will receive an additional \$580 million, counties \$660 million, and special districts \$200 million.
- *Property Taxes.* The Proposed 2015-16 Budget anticipates ongoing property tax revenues of more than \$900 million annually to be distributed to cities, counties, and special districts that can be used by local governments to fund police, fire, and other critical public services.
- *State Mandate Reimbursements.* The Proposed 2015-16 Budget continues the suspension of most mandates not related to law enforcement or property taxes. After satisfying the Proposition 98 guarantee, additional revenues, up to \$800 million, are proposed to pay down the remainder of the State’s pre-2004 mandate debt. The Proposed 2015-16 Budget estimates that the trigger mechanism will result in a \$533 million payment toward this mandate debt. These funds will provide counties, cities, and special districts with general purpose revenue.
- *Deferred Maintenance.* The Proposed 2015-16 Budget includes \$478 million (\$125 million general fund) for critical deferred maintenance at universities, community colleges and in State parks, prisons, State hospitals and other State facilities.
- *Education.* The Proposed 2015-16 Budget provides over \$1.2 billion in funding to support a coordinated framework for adult education, career technical education, workforce investment, and apprenticeships intended to provide training and education to workers in California so they can develop the skills they need for self-sufficiency and greater personal advancement.

May Revision. On May 18, 2015, the Governor released his May Revision to the Proposed 2015-16 Budget. Overall, the May Revision reflects a \$6.7 billion increase in general fund revenues compared to the January Budget. The Constitution, reflecting the voters' priorities, directs the use of these revenues as follows:

- Proposition 98 increases general fund spending by \$5.5 billion for K-12 schools and community colleges.
- Proposition 2 requires that an additional \$633 million be saved in the Rainy Day Fund and an additional \$633 million be used to pay down debts and liabilities.

Proposition 2 was designed to help the State save when times are good. Higher revenues from capital gains will both be saved and used to pay down debts. By the end of the year, the State's Rainy Day Fund will have a total balance of \$3.5 billion.

The May Revision commits new spending in only three additional areas:

- Creating the first ever California Earned Income Tax Credit to assist the State's lowest income workers. The credit will provide \$380 million in benefits to 2 million Californians. This credit — combined with increased funding for education and health care reform, together with an increased minimum wage — will provide increased State support for California's poorest residents.
- Holding tuition flat at the State's universities for California undergraduate students for two more years by providing increased ongoing funding to California State University and temporary assistance to the University of California to pay down its unfunded pension liability.
- Providing health care and other safety net services to currently undocumented immigrants who gain Permanent Residence Under Color of Law status under the President's executive actions.

Further, the May Revision notes near-term application of funds as the State addresses the budgetary debts accumulated over the past decade and a half. In the next three months alone, the State will:

- Repay the remaining \$1 billion in deferrals to schools and community colleges (which once peaked at \$10 billion).
- Make the last payment on the \$15 billion in Economic Recovery Bonds that were used to cover budget deficits from as far back as 2002.
- Repay local governments the final mandate reimbursements for activities completed in 2004 or earlier (totaling \$765 million).

The elimination of all of these budgetary debts and a healthier Rainy Day Fund balance is proposed to give the State fiscal capacity when the next recession begins. But these steps alone will not ensure an enduring balanced budget. Already, the commitments that the State made in the past two years are straining the State's finances. Under a projection of current policies, the budget would be upside down by more than \$2 billion by 2018-19.

For the last several years, the Census Bureau has reported that about 16 percent of California residents are living in poverty—slightly above the national average of 14.9 percent. The Census Bureau’s supplemental measure of poverty, which considers broader measures of income and the cost of living, reflects a poverty rate of 23.4 percent (a three year average). While the State’s economic conditions have improved since the Governor’s Budget, much of the gains continue to be made by the State’s wealthiest residents.

California has an extensive safety net for its neediest residents who live in poverty, and the State has maintained those core benefits despite the recession. In the past two years, the recovering economy has allowed the State to take even greater steps to assist the State’s neediest residents. These efforts are assisting millions of Californians.

- The implementation of health care reform has extended coverage under Medi-Cal to an additional four million Californians in just three years and added new services such as treatment for substance abuse and mental health. The expansion has already increased general fund costs by approximately more than \$1 billion annually and that amount will rise to more than \$2 billion by 2017-18 as the federal government begins to reduce its share of costs beginning in 2017. Under the May Revision, coverage will also be provided to immigrants who gain Permanent Residence Under Color of Law status under the President’s executive actions. For Medi-Cal and other programs, this will add general fund costs of an estimated \$200 million when the federal changes are fully implemented (\$62 million in 2015-16).
- The Local Control Funding Formula is concentrating the greatest school funding — billions more this year alone — to those students who face the greatest challenges.
- The State increased the minimum wage by 25 percent, to \$10 per hour, and guaranteed that 6.5 million workers are eligible for sick leave.
- General fund costs to implement these measures will be nearly \$250 million by 2016-17.

Despite these steps, millions of Californians remain below the federal poverty line. The Budget takes additional steps to counteract the effects of poverty:

- Establish the State’s first Earned Income Tax Credit to help the poorest working families in California. This targeted credit will provide a refundable tax credit for wages and would focus on the lowest income Californians — households with incomes less than \$6,580 if there are no dependents or \$13,870 if there are three or more dependents. The proposed credit would match 85 percent of the federal credit at the lowest income levels, providing an average estimated household benefit of \$460 annually for 825,000 families (representing 2 million individuals), with a maximum benefit of \$2,653.
- Provide \$1.4 billion (\$150 million more than the Governor’s Budget) in funding to support a coordinated framework for adult education, career technical education, workforce investment and apprenticeships.
- Establish an amnesty program for those Californians with past due court ordered debt from traffic infractions. Participating individuals can reduce their debts by 50 percent, reduce the administrative fees they pay from \$300 to \$50, and have their drivers’ licenses reinstated.

The May Revision additionally addresses the current drought. The State has experienced four consecutive years of below average rain and snow, and is currently facing severe drought conditions in all 58 counties. The most recent surveys recorded the statewide average snowpack, which is the source for one-third of the State's water, at just 2 percent of the normal average. Since the Governor first declared a state of emergency in January 2014, the Administration has worked with the Legislature to appropriate approximately \$1.9 billion to assist drought-impacted communities and provide additional resources for critical water infrastructure projects. The State's emergency drought response accelerates several of the key actions in the California Water Action Plan. The May Revision includes an additional \$2.2 billion of one time resources to continue the State's response to drought impacts. The funds will protect and expand local water supplies, conserve water and respond to emergency conditions.

On June 19, 2015, the State Legislature passed the 2015-16 budget bill and certain related legislation not including the additional changes to the wind-down process for redevelopment agencies discussed above. The budget agreement relies on the administration's May 2015 estimates of (1) general fund revenues, (2) the Proposition 98 minimum guarantee for schools and community colleges, and (3) budget reserve and debt payment requirements under Proposition 2. School and community college funding is the centerpiece of the agreement, as administration estimates of the Proposition 98 minimum guarantee have increased substantially over June 2014 levels. The terms of the budget trailer bill have not yet been approved by the Governor or enacted into law.

The full summary of the Governor's Budget Proposal can be viewed at www.ebudget.ca.gov or www.dof.ca.gov.

Future State Budgets. The County receives a significant portion of its funding from the State. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the County and other counties in the State.

The County cannot predict the extent of the budgetary problems the State will encounter in this Fiscal Year or in any future fiscal years, and, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the County cannot predict the final outcome of current and future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the County has no control.

Municipal Bond Insurance

In the event of default of the payment of the scheduled principal or interest with respect to the Certificates when all or some becomes due, the Trustee, on behalf of any Owner of the Certificates, shall have a claim under the Municipal Bond Insurance Policy for such payments. The payment of principal and interest in connection with mandatory or optional redemption of the Certificates which is recovered from the Certificate Owner as a voidable preference under applicable bankruptcy law is covered by the Municipal Bond Insurance Policy, however, such payments will be made by BAM at such time and in such amounts as would have been due absent such prepayment unless BAM chooses to pay such amounts at an earlier date.

BAM may direct and must consent to any remedies with respect to the Certificates and BAM's consent may be required in connection with amendments to any applicable documents relating to the Certificates.

In the event BAM is unable to make payment of principal and interest as such payments become due under the Municipal Bond Insurance Policy, the Certificates are payable solely from the Lease Payments and other sources specifically provided for in the Trust Agreement. In the event BAM becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price of the Certificates or the marketability (liquidity) for the Certificates.

The long-term ratings on the Certificates are dependent in part on the financial strength of BAM and its claims paying ability. BAM's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of BAM and the ratings on the Certificates will not be subject to downgrade and such event could adversely affect the market price of the Certificates or the marketability (liquidity) for the Certificates. See "RATINGS."

The obligations of BAM are unsecured contractual obligations and in an event of default by BAM, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the County, the Corporation or the Underwriter has made independent investigation into the claims paying ability of BAM and no assurance or representation regarding the financial strength or projected financial strength of BAM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay the Lease Payments from which the Owners of the Certificates will be paid as provided in the Trust Agreement and the claims paying ability of BAM, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information regarding BAM and the Municipal Bond Insurance Policy, which includes further instructions for obtaining current financial information concerning BAM.

Possible Insufficiency of Insurance Proceeds

The Lease Agreement obligates the County to keep in force various forms of insurance, subject to deductibles, for repair or replacement of the Property in the event of damage, destruction or title defects, subject to certain exceptions. The County makes no representation as to the ability of any insurer to fulfill its obligations under any insurance policy obtained pursuant to the Lease Agreement and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to pay principal and interest with respect to the Certificates when due. In addition, certain risks, such as earthquakes and floods, are not required under the Lease Agreement, and therefore, are not carried by the County. See "SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance."

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Certificates, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the County.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the general fund revenues of the County and consequently, having an adverse effect on the security for the Certificates.

ABSENCE OF LITIGATION

At the time of delivery of and payment for the Certificates, the County will certify that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court or regulatory agency, public board, or body pending or threatened against the County or the Corporation affecting their existence or the titles of their respective officers or seeking to restrain or to enjoin the issuance, sale, or delivery of the Certificates, or the application of the proceeds thereof in accordance with the Trust Agreement, or in any way contesting or affecting the validity or enforceability of the Certificates, any agreement entered into between the County and any purchaser of the Certificates, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site and Facility Lease or any other applicable agreements or any action of the County or the Corporation contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the County or the Corporation or their authority with respect to the Certificates or any action of the County or the Corporation contemplated by any of said documents, nor, to the knowledge of the County or the Corporation, is there any basis therefor.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the County has entered into an agreement with U.S. Bank National Association, as Trustee and Dissemination Agent (the “Dissemination Agent”), for the benefit of holders of the Certificates to provide certain financial information and operating data relating to the County and the balances of funds relating to the Certificates, by not later than April 1 of each fiscal year commencing with the report for the 2014-15 fiscal year (the “Annual Information”), and to provide notices of the occurrence of certain enumerated events if deemed by the County to be material. The Annual Information and notices of material events will be filed by the County or the Dissemination Agent, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The nature of the information to be provided in the Annual Information and the notices of material events is set forth in APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

The County has advised that during the past five years, the County and its related entities have never failed to comply in all material respects with previous continuing disclosure undertakings pursuant to the Rule, except as follows: in certain instances audited financial statements were not filed or were not filed on a timely basis, certain rating changes of bond insurers were not timely filed and documents indicated as included with certain filings were not so included. The County has now made all necessary filings, except with respect to bonds that have matured prior to the date of this Official Statement. The County has retained an independent dissemination agent to assist it with future continuing disclosure filings. Also, the County plans to adopt continuing disclosure procedures to insure the timely preparation and filing of its continuing disclosure obligations.

MUNICIPAL ADVISOR

The County has retained Capitol Public Finance Group, LLC, Roseville, California, as municipal advisor (the “Municipal Advisor”) in connection with the delivery of the Certificates. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

LEGAL MATTERS

All legal matters in connection with the execution and delivery of the Certificates are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Special Counsel. Special Counsel’s opinion with respect to the Certificates will be substantially in the form set forth in APPENDIX D—FORMS OF OPINIONS OF SPECIAL COUNSEL. Certain legal matters will also be passed on for the County by Quint & Thimmig LLP, as Disclosure Counsel. Certain legal matters will also be passed on for the Underwriter by Stradling Yocca Carlson & Rauth, P.C., Newport Beach, California. The fees and expenses of Special Counsel, Disclosure Counsel and Underwriter’s counsel are contingent upon the execution and delivery of the Certificates.

TAX MATTERS

Interest with respect to the Certificates is includible in gross income for federal income purposes. Ownership of the Certificates may result in other federal income tax consequences to certain taxpayers. Owners should consult their tax advisors with respect to the inclusion of interest with respect to the Certificates in gross income for federal income tax purposes and any collateral tax consequences.

The Series A Certificates are expected to be designated as “new clean renewable energy bonds” by the County pursuant to applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”). The County will elect to receive federal interest subsidy payments equal to the lesser of (a) 100% of the amount of interest payable with respect to the Series A Certificates, or (b) 70% of the interest at the tax credit rate in effect at the time of pricing of the Series A Certificates. As a result of such election, Owners of the Series A Certificates are not entitled to receive the tax credit otherwise permitted under section 54A of the Code. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series A Certificates in order for the County to continue to receive the Subsidy Payments. These requirements include, but are not limited to, requirements related to use and expenditure of the available project proceeds of the Series A Certificates, yield and other restrictions on investments of available project proceeds and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance may cause the Series A Certificates to fail to qualify for the receipt of the Subsidy Payments. The County has covenanted to comply with certain applicable requirements of the Code to assure the receipt of the Subsidy Payments in respect of the Series A Certificates.

No assurances are provided that the County will receive any Subsidy Payments. The amount of the Subsidy Payments is subject to legislative changes by the Congress and the President of the United

States. Subsidy Payments are subject to sequestration under The Budget Control Act of 2011, Pub. L. No. 112 25, 125 Stat. 240, unless the Congress and the President take action to prevent such sequestration. Subsidy Payments can also be offset against certain amounts that may, for unrelated reasons, be owed by the County to an agency of the United States or certain state agencies.

In the opinion of Special Counsel, interest with respect to the Certificates is exempt from California personal income taxes.

Ownership of the Certificates may result in other State and local tax consequences to certain taxpayers, and Special Counsel expresses no opinion regarding any such consequences arising with respect to the Certificates.

The complete text of the final opinions that Special Counsel expects to deliver upon the delivery of the Certificates is set forth in APPENDIX D—FORMS OF OPINIONS OF SPECIAL COUNSEL.

UNDERWRITING

The Series A Certificates are being purchased by Hilltop Securities Inc. (the “Underwriter”) at a price of \$_____ (consisting of \$_____ aggregate principal amount of the Series A Certificates, less \$_____ of Underwriter’s discount).

The Series B Certificates are being purchased by the Underwriter at a price of \$_____ (consisting of \$_____ aggregate principal amount of the Series B Certificates, less \$_____ of Underwriter’s discount).

The Underwriter intends to offer the Certificates to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriter may offer and sell to certain dealers and others at a price lower than the offering prices stated on the cover page hereof. The offering price may be changed from time to time by the Underwriter.

RATINGS

S&P is expected to assign the rating of “AA” (stable outlook) to the Certificates based on the issuance of the Municipal Bond Insurance Policy by BAM at the time of delivery of the Certificates. See “MUNICIPAL BOND INSURANCE.” In addition, S&P has assigned the underlying rating of “___” to the Certificates without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such rating may be obtained from S&P. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of the S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates.

FINANCIAL STATEMENTS

The County's Audited Financial Statements for fiscal year ended June 30, 2014, and the County's Auditor's Report regarding such financial statements, are set forth in APPENDIX B—AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE YEAR ENDED JUNE 30, 2014. The County's Auditor was not requested to consent to the inclusion of its report in Appendix B and it has not undertaken to update financial statements included in Appendix B. No opinion is expressed by the County's Auditor with respect to any event subsequent to its report.

ADDITIONAL INFORMATION

All of the preceding summaries of the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement, the Site and Facility Lease, and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the County for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Certificates.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

The County will furnish a certificate dated the date of delivery of the Certificates, from an appropriate officer of the County, to the effect that to the best of such officer's knowledge and belief, and after reasonable investigation, (i) neither the Official Statement or any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (ii) since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement, and the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement, the Site and Facility Lease, and other applicable agreements conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the County has complied with all the agreements and has satisfied all the conditions on its part to be performed or satisfied under the Trust Agreement at and prior to the date of the issuance of the Certificates.

The execution and delivery of the Official Statement by the County have been duly authorized by the Board of Supervisors of the County.

COUNTY OF YUBA

By _____
County Administrative Officer

APPENDIX A

GENERAL DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF YUBA

General

Yuba County is located in California's Central Valley along the Feather River. Yuba County was one of the original counties of California, formed in 1850 at the time of statehood. According to the U.S. Census Bureau, the county has a total area of 644 square miles (1,670 km²), of which 632 square miles (1,640 km²) is land and 12 square miles (31 km²) (1.9%) is water. It is the fifth-smallest county in California by total area. National protected areas within Yuba County include portions of the Plumas National Forest and the Tahoe National Forest.

A portion of the county, where Marysville (the county seat) and most of the population lives, is west of the mountains on the valley floor. There is a great deal of agriculture business in this part of the county, especially fruit and nut orchards, rice fields, and cattle grazing.

Population

The table below summarizes population of the County and the State for the past five years.

POPULATION
Yuba County and California

Year	Yuba County	California
2011	72,316	37,427,946
2012	72,907	37,680,593
2013	73,490	38,030,609
2014	73,690	38,357,121
2015	74,076	38,714,725

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2015, with 2010 Census Benchmark. Sacramento, California, May 2015. Dates as of January 1 of each year except 2010 which is measured as of April 1.

Employment

The following table summarizes the historical numbers of workers by industry in Yuba County for the last five years:

YUBA COUNTY
Labor Force and Industry Employment
Annual Averages by Industry

	2010	2011	2012	2013	2014 ⁽¹⁾
Total, All Industries	15,100	15,500	15,900	15,800	15,900
Total Farm	900	1,000	900	900	700
Mining, Logging and Construction	700	700	700	600	600
Manufacturing	500	500	600	600	600
Wholesale Trade	200	200	200	200	200
Retail Trade	1,200	1,200	1,300	1,300	1,300
Transportation, Warehousing & Utilities	600	600	600	700	700
Information	200	200	200	200	200
Financial Activities	300	300	300	300	300
Professional & Business Services	800	900	900	900	900
Educational & Health Services	2,600	2,500	2,700	2,800	2,900
Leisure & Hospitality	1,100	1,200	1,300	1,400	1,500
Other Services	300	300	400	300	300
Government	5,700	6,000	5,900	5,700	5,800

Source: California Employment Development Department Industry Employment & Labor Force - by Annual Average, based on March 2014 benchmark.

(1) Last available full year data.

*Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.

The following tables summarize historical employment and unemployment for Yuba County, the State and the United States for the past five years:

YUBA COUNTY, CALIFORNIA, AND UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2010	Yuba County	29,000	23,900	5,200	17.8%
	California	18,316,400	16,051,500	2,264,900	12.4
	United States	153,889,000	139,064,000	14,825,000	9.6
2011	Yuba County	28,900	24,000	4,900	17.0%
	California	18,384,900	16,226,600	2,158,300	11.7
	United States	153,617,000	139,869,000	13,747,000	8.9
2012	Yuba County	28,800	24,400	4,500	15.4%
	California	18,494,900	16,560,300	1,934,500	10.5
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	Yuba County	28,300	24,600	3,700	13.1%
	California	18,596,800	16,933,300	1,663,500	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4
2014	Yuba County	28,200	25,000	3,200	11.2%
	California	18,811,400	17,397,100	1,414,300	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2

Source: California Employment Development Department Industry Employment & Labor Force - by Annual Average, based on March 2014 benchmark and US Department of Labor, Federal Bureau of Labor Statistics

(1) The unemployment rate is computed from unrounded data, therefore, it may differ from rates computed from rounded figures available in this table.

Major Employers

The table below sets forth the principal employers of the County.

YUBA COUNTY 2015 Principal Employers

Employer Name	Location	Industry
Abraham Lincoln High School	Marysville	Schools
Appeal Democrat	Marysville	Newspapers (Publishers/Mfrs)
Beale Air Force Base	Beale AFB	Military Bases
Bishop's Pumpkin Farm	Wheatland	Fruits & Vegetables & Produce-Retail
Comprehensive Security Svc Inc	Marysville	Security Guard & Patrol Service
Haycart Custom Farming Inc	Plumas Lake	Farming Service
Lindhurst High School	Olivehurst	Schools
Lone Tree School Kitchen	Beale AFB	Schools
Marysville Care & Rehab Ctr	Marysville	Nursing & Convalescent Homes
Marysville School District	Marysville	Schools
Pacific Gas & Electric Co	Marysville	Electric Companies
Pacific Gas & Electric Co	Marysville	Electric Companies
Recology Yuba-Sutter	Marysville	Garbage Collection
Richard R Wilbur Ranch	Marysville	Ranches
Rideout Outpatient Radiology	Marysville	Physicians & Surgeons
Rideout Regional Medical Ctr	Marysville	Hospitals
Shoei Foods USA Inc	Olivehurst	Importers (Whls)
Sleep Train Amphitheatre	Wheatland	Concert Venues
South Lindhurst High School	Olivehurst	Schools
Transportation Department	Marysville	State Government-Transportation Programs
Transportation Dept-Equipment	Marysville	State Government-Transportation Programs
US Post Office	Marysville	Post Offices
Veolia Transportation	Marysville	Transportation Services
Walmart Supercenter	Marysville	Department Stores
Yuba County Health & Human Svc	Marysville	Clinics

Source: California Employment Development Department – Major Employers by County. Data retrieved September 15, 2015.

Construction Activity

The following tables reflects the five-year history of building permit valuation for the County:

YUBA COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2010	2011	2012	2013	2014
<u>Permit Valuation:</u>					
New Single-family	\$ 8,748	\$ 10,149	\$ 11,670	\$ 16,318	\$ 22,775
New Multi-family	-	-	-	6,875	9,780
Res. Alterations/Additions	2,794	3,982	1,625	3,203	2,040
Total Residential	11,542	14,131	13,295	26,397	34,596
Total Nonresidential	3,690	13,855	19,677	57,005	23,905
Total All Building	\$ 15,233	\$ 27,986	\$ 32,973	\$ 83,403	58,502
<u>New Dwelling Units:</u>					
Single Family	60	68	75	99	112
Multiple Family	-	-	-	48	100
Total	60	68	75	147	212

Sources: Construction Industry Research Board: "Building Permit Summary."

Note: Totals may not add due to independent rounding.

Median Household Income

The following table summarizes the median household effective buying income for the County, the State and the nation for the past five years.

YUBA COUNTY, CALIFORNIA AND UNITED STATES Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effec- tive Buying Income
2010	Yuba County	\$ 1,106,293	\$ 34,836
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	Yuba County	\$ 1,097,820	\$ 34,935
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	Yuba County	\$ 1,149,160	\$ 38,161
	California	864,088,827	47,307
	United States	6,737,867,730	41,358
2013	Yuba County	\$ 1,065,205	\$ 36,860
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	Yuba County	\$ 1,196,220	41,012
	California	901,189,699	50,072
	United States	7,357,153,421	45,448

Source: The Nielsen Company (US), Inc.

APPENDIX B

AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE YEAR ENDED JUNE 30, 2014

The Auditor was not requested to consent to the inclusion of its report in this Appendix B and it has not undertaken to update financial statements included in this Appendix B. No opinion is expressed by the Auditor with respect to any event subsequent to its report.

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX C

INVESTMENT POLICY OF THE COUNTY

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX D

FORMS OF OPINIONS OF SPECIAL COUNSEL

Series A Certificates

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Board of Supervisors of the
County of Yuba
915 8th Street
Marysville, California 95691

OPINION: \$ _____ * Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the County of Yuba, as the Rental for Certain Property Pursuant to a Lease Agreement with the County of Yuba Public Facilities Corporation

Members of the Board of Supervisors:

We have acted as special counsel in connection with the delivery by the County of Yuba (the “County”), of its \$ _____ * Lease Agreement, dated as of November 1, 2015, by and between the County of Yuba Public Facilities Corporation (the “Corporation”) and the County (the “Lease Agreement”), pursuant to the California Government Code. The Corporation has, pursuant to the Assignment Agreement, dated as of November 1, 2015 (the “Assignment Agreement”), by and between the Corporation and U.S. Bank National Association, as trustee (the “Trustee”), assigned certain of its rights under the Lease Agreement, including its right to receive a portion of the lease payments made by the County thereunder (the “Lease Payments”), to the Trustee. Pursuant to the Trust Agreement, dated as of November 1, 2015, by and among the Trustee, the Corporation and the County (the “Trust Agreement”), the Trustee has executed and delivered certificates of participation (the “Certificates”) evidencing direct, undivided fractional interests of the owners thereof in the Lease Payments. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the County contained in the Lease Agreement and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The County is duly created and validly existing as a political subdivision organized and existing under the laws of the State of California with the power to enter into the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Lease Agreement has been duly authorized, executed and delivered by the County and is an obligation of the County valid, binding and enforceable against the County in accordance with its terms.

* Preliminary, subject to change.

3. The Trust Agreement and the Assignment Agreement are valid, binding and enforceable in accordance with their terms.

4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is not excludable from gross income of the owners thereof for federal income tax purposes.

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

The Certificates are designated as “new clean renewable energy bonds” by the County pursuant to applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”). The County will elect to receive federal interest subsidy payments (the “Subsidy Payments”) equal to the lesser of (a) 100% of the amount of interest payable with respect to the Certificates, or (b) 70% of the interest at the tax credit rate in effect at the time of pricing of the Certificates. As a result of such election, holders of the Certificates are not entitled to receive the tax credit otherwise permitted under section 54A of the Code. The Code establishes certain ongoing requirements that must be met subsequent to the execution and delivery of the Certificates in order for the County to continue to receive the Subsidy Payments. These requirements include, but are not limited to, requirements related to use and expenditure of the available project proceeds of the Certificates, yield and other restrictions on investments of available project proceeds and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance may cause the Certificates to fail to qualify for the receipt of the Subsidy Payments. The County has covenanted to comply with certain applicable requirements of the Code to assure the receipt of the Subsidy Payments in respect of the Certificates.

No assurances are provided that the County will receive any Subsidy Payments. The amount of the Subsidy Payments is subject to legislative changes by the Congress and the President of the United States. Subsidy Payments are subject to sequestration under The Budget Control Act of 2011, Pub. L. No. 112 25, 125 Stat. 240, unless the Congress and the President take action to prevent such sequestration. Subsidy Payments can also be offset against certain amounts that may, for unrelated reasons, be owed by the County to an agency of the United States or certain state agencies.

Ownership of the Certificates may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement, the Assignment Agreement and the Trust Agreement may be subject to the Bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

Series B Certificates

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Board of Supervisors of the
County of Yuba
915 8th Street
Marysville, California 95691

OPINION: \$ _____ * Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the County of Yuba, as the Rental for Certain Property Pursuant to a Lease Agreement with the County of Yuba Public Facilities Corporation

Members of the Board of Supervisors:

We have acted as special counsel in connection with the delivery by the County of Yuba (the "County"), of its \$ _____ * Lease Agreement, dated as of November 1, 2015, by and between the County of Yuba Public Facilities Corporation (the "Corporation") and the County (the "Lease Agreement"), pursuant to the California Government Code. The Corporation has, pursuant to the Assignment Agreement, dated as of November 1, 2015 (the "Assignment Agreement"), by and between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), assigned certain of its rights under the Lease Agreement, including its right to receive a portion of the lease payments made by the County thereunder (the "Lease Payments"), to the Trustee. Pursuant to the Trust Agreement, dated as of November 1, 2015, by and among the Trustee, the Corporation and the County (the "Trust Agreement"), the Trustee has executed and delivered certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in the Lease Payments. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the County contained in the Lease Agreement and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The County is duly created and validly existing as a political subdivision organized and existing under the laws of the State of California with the power to enter into the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.
2. The Lease Agreement has been duly authorized, executed and delivered by the County and is an obligation of the County valid, binding and enforceable against the County in accordance with its terms.
3. The Trust Agreement and the Assignment Agreement are valid, binding and enforceable in accordance with their terms.
4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is not excludable from gross income of the owners thereof for federal income tax purposes.

* Preliminary, subject to change.

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

Ownership of the Certificates may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement, the Assignment Agreement and the Trust Agreement may be subject to the Bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

[TO COME]

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX F

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F, concerning The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry system, has been furnished by DTC for use in official statements and the County takes no responsibility for the completeness or accuracy thereof. The County cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Certificates, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix F. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. Information Furnished by DTC Regarding its Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Certificates (as used in this Appendix E, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates represent-

ing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit the notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the paying agent or bond trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the paying agent or bond trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the paying agent or bond trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX G

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

Series A Certificates

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the COUNTY OF YUBA (the “County”) in connection with the execution and delivery of \$ _____* County of Yuba Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of November 1, 2015, by and among U.S. Bank National Association, as trustee (the “Trustee”), the County and the County of Yuba Public Facilities Corporation (the “Trust Agreement”). Pursuant to Section 10.08 of the Trust Agreement, the County covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

“*Annual Report*” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“*Dissemination Agent*” shall mean Capitol Public Finance Group, LLC, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation. In the absence of such a designation, the County shall act as the Dissemination Agent.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Participating Underwriter*” shall mean any original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“*Rule*” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

* Preliminary, subject to change.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The County shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the County's fiscal year (which currently ends on June 30), commencing with the report for the 2014-15 Fiscal Year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date; provided further, however, that if the audited financial statements are not available by that date, the County shall, or shall cause the Dissemination Agent to, file unaudited financial statements for such prior fiscal year end.

(b) *Change of Fiscal Year.* If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the County.

(d) *Report of Non-Compliance.* If the County is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the County shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the County is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the County, file a report with the County certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the County for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the County, the Annual Report shall also include financial and operating data with respect to the County for preceding fiscal year, as follows, substantially similar to that provided in the corresponding tables and charts in the official statement for the Certificates:

- (1) Table 3—Tax Revenues By Source.
- (2) Table 4—Other Revenue Sources.
- (3) Table 5—Assessed Valuations.
- (4) Table 6—Assessed Valuation and Parcels by Land Use.
- (5) Table 7—Per Parcel 2014-15 Assessed Valuation of Single Family Homes.
- (6) Table 17—Direct and Overlapping Bonded Debt.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which are available to the public on EMMA. The County shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the County shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The County shall, or shall cause the Dissemination Agent (if not the County) to, give notice of the occurrence of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

- (1) Non-payment related defaults.

- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Certificates under the Trust Agreement.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the County, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the County. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Certificate owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the County shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the County.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid reasonable compensation by the County for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the County from time to time and all reasonable expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the County, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the County or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the County. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so re-

quested by the County that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Certificate owners in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Certificate owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Certificate owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the County shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Trust Agreement. The obligations of the County under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: [Closing Date]

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

ACKNOWLEDGED:

CAPITOL PUBLIC FINANCE GROUP, LLC, as
Dissemination Agent

By _____
Name _____
Title _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: County of Yuba

Name of Issue: Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the County of Yuba, as the Rental for Certain Property Pursuant to a Lease Agreement with the County of Yuba Public Facilities Corporation

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CAPITOL PUBLIC FINANCE GROUP, LLC, Dissemination Agent

By _____
Authorized Officer

Series B Certificates

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the COUNTY OF YUBA (the “County”) in connection with the execution and delivery of \$ _____* County of Yuba Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of November 1, 2015, by and among U.S. Bank National Association, as trustee (the “Trustee”), the County and the County of Yuba Public Facilities Corporation (the “Trust Agreement”). Pursuant to Section 10.08 of the Trust Agreement, the County covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

“*Annual Report*” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“*Dissemination Agent*” shall mean Capitol Public Finance Group, LLC, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation. In the absence of such a designation, the County shall act as the Dissemination Agent.

“*EMMA*” or “*Electronic Municipal Market Access*” means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

“*Listed Events*” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Participating Underwriter*” shall mean any original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“*Rule*” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The County shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the County’s fiscal year (which currently ends on June 30), commencing with the report

* Preliminary, subject to change.

for the 2014-15 Fiscal Year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date; provided further, however, that if the audited financial statements are not available by that date, the County shall, or shall cause the Dissemination Agent to, file unaudited financial statements for such prior fiscal year end.

(b) *Change of Fiscal Year.* If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the County.

(d) *Report of Non-Compliance.* If the County is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the County shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the County is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the County, file a report with the County certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the County for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the County, the Annual Report shall also include financial and operating data with respect to the County for preceding fiscal year, as follows, substantially similar to that provided in the corresponding tables and charts in the official statement for the Certificates:

- (1) Table 3—Tax Revenues By Source.
- (2) Table 4—Other Revenue Sources.
- (3) Table 5—Assessed Valuations.
- (4) Table 6—Assessed Valuation and Parcels by Land Use.
- (5) Table 7—Per Parcel 2014-15 Assessed Valuation of Single Family Homes.
- (6) Table 17—Direct and Overlapping Bonded Debt.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which are available to the public on EMMA. The County shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the County shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The County shall, or shall cause the Dissemination Agent (if not the County) to, give notice of the occurrence of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Certificates under the Trust Agreement.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the County, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the County. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Certificate owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the County shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the County.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid reasonable compensation by the County for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the County from time to time and all reasonable expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the County, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the County or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the County. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the County that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of

the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Certificate owners in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Certificate owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Certificate owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the County shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Trust Agreement. The obligations of the County under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: [Closing Date]

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

ACKNOWLEDGED:

CAPITOL PUBLIC FINANCE GROUP, LLC, as
Dissemination Agent

By _____
Name _____
Title _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: County of Yuba

Name of Issue: Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the County of Yuba, as the Rental for Certain Property Pursuant to a Lease Agreement with the County of Yuba Public Facilities Corporation

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CAPITOL PUBLIC FINANCE GROUP, LLC, Dissemination Agent

By _____
Authorized Officer

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

THIS PAGE INTENTIONALLY LEFT BLANK



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by Adopt Resolution... - 116 of 301
Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer



CALIFORNIA
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

Authorized Officer

THIS PAGE INTENTIONALLY LEFT BLANK

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

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

SITE AND FACILITY LEASE

Dated as of November 1, 2015

by and between the

COUNTY OF YUBA, as Lessor

and the

COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, as Lessee

Taxable Certificates of Participation, Series A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)

Taxable Certificates of Participation, Series B
(2015 Clean Renewable Energy Project)

SITE AND FACILITY LEASE

THIS SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of November 1, 2015, is by and between the COUNTY OF YUBA, a political subdivision, duly organized and existing under and by virtue of the laws of the State of California, as lessor (the "County"), and the COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California, as lessee (the "Corporation");

WITNESSETH:

WHEREAS, the Corporation intends to assist the County to finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the "Project"), by leasing certain land and improvements to the County pursuant to a Lease Agreement, dated as of November 1, 2015, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"); and

WHEREAS, the County proposes to enter into this Site and Facility Lease with the Corporation as a material consideration for the Corporation's agreement to lease such land and improvements to the County;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site and Facility Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site and Facility Lease. The County hereby leases to the Corporation and the Corporation hereby leases from the County, on the terms and conditions hereinafter set forth, those certain parcels of real property situated in Yuba County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements on the Site more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Facility").

Section 3. Term. The term of this Site and Facility Lease shall commence on the date of recordation of this Site and Facility Lease in the Office of the County Recorder of Yuba County, State of California, and shall end on November 1, 2035, unless such term is extended or sooner terminated as hereinafter provided. If, on November 1, 2035, the aggregate amount of Lease Payments (shall not have been paid, or provision shall not have been made for their payment, then the term of this Site and Facility Lease shall be extended until such Lease Payments or Additional Payments, if any, shall be fully paid or provision made for such payment. When all Lease Payments shall be fully paid or provision made for such payment in accordance with Section 4.4 or 10.1 of the Lease Agreement, the term of this Site and Facility Lease shall end.

Notwithstanding the foregoing, the term of this Site and Facility Lease shall not end so long as any amounts are owed to BAM with respect to the Municipal Bond Insurance Policy (as such capitalized terms are defined in the Trust Agreement).

Section 4. Advance Rental Payment. The County agrees to lease the Site and the Facility to the Corporation in consideration of the payment by the Corporation of an advance rental payment of _____ dollars (\$_____). The County and the Corporation agree that by reason of the sale of the Certificates and deposit of proceeds pursuant to the provisions of the Trust Agreement, dated as of November 1, 2015, by and among the County, the Corporation

and U.S. Bank National Association, as trustee thereunder (the "Trust Agreement"), the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Corporation shall use the Site and the Facility solely for the purpose of leasing the Site and the Facility to the County pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the County under the Lease Agreement, the Corporation and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. County's Interest in the Site and the Facility. The County covenants that it is the owner in fee of the Site and the Facility.

Section 7. Assignments and Subleases. Unless the County shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site and Facility Lease or sublet the Site or the Facility, except as provided in the Lease Agreement and the Assignment Agreement, without the prior written consent of the County.

Section 8. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Site and the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Corporation agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Site and the Facility in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site and Facility Lease shall remain thereon and title thereto shall vest in the County. No termination, assignment (other than to the Trustee in accordance with the Assignment Agreement), transfer, release, disposition or sublease of this Site and Facility Lease, the Property or any portion thereof shall be permitted without the prior written consent of BAM.

Section 10. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the County may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the County shall have no right to terminate this Site and Facility Lease as a remedy for such default; *provided, however*, that so long as any Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Assignment Agreement shall continue to be paid to the Trustee. The insurer provisions set forth in the Lease Agreement and the Trust Agreement shall control and supersede any conflicting or inconsistent provisions in the Site and Facility Lease.

Section 11. Quiet Enjoyment. The Corporation, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Site subject to the provisions of the Lease Agreement and the Trust Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Corporation are solely liabilities of the Corporation and the County hereby releases each and every, member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site and Facility Lease. No member, director, officer, employee or agent of the Corporation shall at any time or under any

circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. All assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site and the Facility (including both land and improvements) will be paid in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Site or the Facility thereon is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid Certificates including the unpaid principal and interest with respect to any then outstanding Certificates and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the County.

Section 15. Use of the Proceeds. The County and the Corporation hereby agree that the lease to the Corporation of the County's right and interest in the Site and the Facility pursuant to Section 2 serves the public purposes of the County by providing funds to enable the County to finance the Project.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the County, addressed to the County in care of the County Administrator, County of Yuba, 915 8th Street, Marysville, CA 95691, or if to the Corporation, addressed to the Corporation in care of the County Administrator, County of Yuba, 915 8th Street, Marysville, CA 95691, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon the County and the Corporation and their respective successors and assigns.

Section 19. Amendment. This Site and Facility Lease may not be amended except as permitted under Section 9.01 of the Trust Agreement. Any amendment, modification or supplement to this Site and Facility Lease shall be subject to the prior written consent of BAM.

Section 20. BAM as Third Party Beneficiary. BAM is explicitly recognized as being a third party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site and Facility Lease.

Section 22. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 23. Execution in Counterparts. This Site and Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

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

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

Attest:

By _____
Donna Stottlemeyer
Clerk of the Board of Supervisors

COUNTY OF YUBA PUBLIC FACILITIES
CORPORATION

By _____
Mary Jane Griego
President

Attest:

By _____

Secretary

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A**DESCRIPTION OF THE SITE**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YUBA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

LOTS 47, 48 AND 49, AS SHOWN UPON THE MAP ENTITLED, "OSTROM TRACT ACRES SUBDIVISION," ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF YUBA, STATE OF CALIFORNIA, IN BOOK 4 OF MAPS, AT PAGE 9.

EXCEPTING THEREFROM, THAT PORTION THEREOF DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 6, 1961 IN BOOK 317 OF YUBA COUNTY OFFICIAL RECORDS, AT PAGE 240.

ALSO EXCEPTING THEREFROM, THAT PORTION THEREOF LYING WITHIN THE RIGHTS OF WAY FOR DRAINAGE CANAL AS PARTICULARLY DESCRIBED IN ACTION IN EMINENT DOMAIN IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF YUBA ACTION NO. 15142, ENTITLED, "OLIVEHURST PUBLIC UTILITY DISTRICT, VS. FRANCIS BICKETT, ET AL, " A NOTICE OF WHICH WAS RECORDED APRIL 7, 1961 IN BOOK 321 OF YUBA COUNTY OFFICIAL RECORDS, AT PAGE 479.

ALSO EXCEPTING THEREFROM, THAT PORTION THEREOF DESCRIBED AS BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 48; THENCE NORTH 0 DEGREES 14 MINUTES 30 SECONDS WEST ALONG THE EASTERLY LINE OF SAID LOT 48 A DISTANCE OF 22.55 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 30 SECONDS WEST PARALLEL WITH THE SOUTHERLY LINE OF LOT 48, 49 AND 51 OF SAID OSTROM TRACT ACRES TO A POINT ON THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN AN ACTION IN EMINENT DOMAIN IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF YUBA, ACTION NO. 15142, ENTITLED, "OLIVEHURST PUBLIC UTILITY DISTRICT VS. FRANCIS BICKETT, ET AL," A NOTICE OF WHICH WAS RECORDED APRIL 7, 1961 IN BOOK 321 OF OFFICIAL RECORDS, AT PAGE 479; THENCE SOUTHERLY ALONG THE SAID EASTERLY LINE TO A POINT ON THE SOUTHERLY LINE OF SAID LOT 51; THENCE NORTH 89 DEGREES 45 MINUTES 30 SECONDS EAST ALONG THE SOUTHERLY LINE OF SAID LOTS 51, 49 AND 48 TO THE POINT OF BEGINNING.

APN: 014-190-035

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility is a 19,771 square foot building located on the Site at 4240 Dan Avenue, Olivehurst California. It was originally constructed in 1975 as a church and community center with an addition added in 1978. The County acquired the property in 1998 and operates its Victim Witness program from the Facility. The Facility is comprised largely offices and interview rooms where the County's Victim Witness organization deals with victims of crime and helps them navigate the criminal justice system.

TRUST AGREEMENT

Dated as of November 1, 2015

by and among

U.S. BANK NATIONAL ASSOCIATION, as Trustee,

the

COUNTY OF YUBA PUBLIC FACILITIES CORPORATION

and the

COUNTY OF YUBA

Taxable Certificates of Participation, Series A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)

Taxable Certificates of Participation, Series B
(2015 Clean Renewable Energy Project)

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DEFINITIONS	
Section 1.01. Definitions	2
Section 1.02. Authorization	2
Section 1.03. Interpretation	2
Section 1.04. Exhibits	2
ARTICLE II	
THE CERTIFICATES OF PARTICIPATION	
Section 2.01. Authorization	3
Section 2.02. Date; Payment of Interest	3
Section 2.03. Maturity; Interest Rates; Percentages	3
Section 2.04. Interest	4
Section 2.05. Forms	4
Section 2.06. Execution	4
Section 2.07. Application of Proceeds and Other Moneys	4
Section 2.08. Transfer and Exchange	5
Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen	5
Section 2.10. Payment	6
Section 2.11. Execution of Documents and Proof of Ownership	6
Section 2.12. Registration Books	6
Section 2.13. CUSIP Numbers	6
Section 2.14. Use of Depository	7
ARTICLE III	
ESTABLISHMENT AND DISBURSEMENT OF DELIVERY COSTS FUND	
Section 3.01. Project Fund	9
Section 3.02. Payment of Project Costs	9
Section 3.03. Delivery Costs Fund	9
Section 3.04. Payment of Delivery Costs	9
Section 3.05. Transfers of Unexpended Proceeds	10
ARTICLE IV	
REDEMPTION OF CERTIFICATES	
Section 4.01. Redemption	11
Section 4.02. Selection of Certificates for Redemption	15
Section 4.03. Notice of Redemption	15
Section 4.04. Partial Redemption of Certificate	17
Section 4.05. Purchase of Certificates	17
ARTICLE V	
LEASE PAYMENTS; LEASE PAYMENT FUND	
Section 5.01. Assignment of Rights in Lease Agreement	19
Section 5.02. Establishment of Lease Payment Fund	19
Section 5.03. Deposits	19
Section 5.04. Application of Moneys	19
Section 5.05. Surplus	19

ARTICLE VI

INSURANCE AND CONDEMNATION FUND; INSURANCE; EMINENT DOMAIN; TITLE INSURANCE

Section 6.01. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award	20
Section 6.02. Application of Net Proceeds of Eminent Domain Award	21
Section 6.03. Application of Net Proceeds of Title Insurance Award	21
Section 6.04. Cooperation.....	21

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT

Section 7.01. Held in Trust.....	23
Section 7.02. Investments Authorized.....	23
Section 7.03. Accounting	23
Section 7.04. Allocation of Earnings	23
Section 7.05. Acquisition, Disposition and Valuation of Investments	24

ARTICLE VIII

THE TRUSTEE

Section 8.01. Appointment of Trustee	25
Section 8.02. Acceptance of Trusts	25
Section 8.03. Fees, Charges and Expenses of Trustee	29
Section 8.04. Notice to Certificate Owners of Default.....	29
Section 8.05. Intervention by Trustee	29
Section 8.06. Removal of Trustee	30
Section 8.07. Resignation by Trustee	30
Section 8.08. Appointment of Successor Trustee	30
Section 8.09. Merger or Consolidation	30
Section 8.10. Concerning any Successor Trustee	30

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 9.01. Amendments Permitted	31
Section 9.02. Procedure for Amendment with Written Consent of Certificate Owners.....	31
Section 9.03. Disqualified Certificates	32
Section 9.04. Effect of Supplemental Agreement.....	32
Section 9.05. Endorsement or Replacement of Certificates Delivered After Amendments	32
Section 9.06. Amendatory Endorsement of Certificates	33

ARTICLE X

COVENANTS

Section 10.01. Compliance With and Enforcement of Lease Agreement.....	34
Section 10.02. Observance of Laws and Regulations	34
Section 10.03. Prosecution and Defense of Suits.....	34
Section 10.04. Recordation and Filing	34
Section 10.05. Budgets	34
Section 10.06. Further Assurances	35
Section 10.07. Satisfaction of Conditions Precedent.....	35
Section 10.08. Continuing Disclosure	35

ARTICLE XI

LIMITATION OF LIABILITY

Section 11.01. Limited Liability of County	36
Section 11.02. No Liability of County or Corporation for Trustee Performance	36
Section 11.03. Indemnification of Trustee.....	36
Section 11.04. Limitation of Rights to Parties and Certificate Owners.....	36

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 12.01. Assignment of Rights.....	38
Section 12.02. Remedies	38
Section 12.03. Application of Funds	38
Section 12.04. Institution of Legal Proceedings	39
Section 12.05. Non-waiver	39
Section 12.06. Remedies Not Exclusive.....	39
Section 12.07. Power of Trustee to Control Proceedings.....	39
Section 12.08. Limitation on Certificate Owners' Right to Sue.....	40
Section 12.09. Parties Interested Herein.....	40

ARTICLE XIII

PROVISIONS RELATING TO BAM AND THE MUNICIPAL BOND INSURANCE POLICY

Section 13.01. Notices and Other Information	41
Section 13.02. Defeasance.....	41
Section 13.03. Trustee-Related Provisions	42
Section 13.04. Amendments and Supplements.....	42
Section 13.05. BAM as Third Party Beneficiary	44
Section 13.06. Payment Procedure Under the Municipal Bond Insurance Policy	44
Section 13.07. Additional Payments	45

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Defeasance.....	47
Section 14.02. Records	47
Section 14.03. Notices	48
Section 14.04. Governing Law	48
Section 14.05. Binding Effect; Successors.....	48
Section 14.06. Execution in Counterparts	48
Section 14.07. Destruction of Canceled Certificates	48
Section 14.08. Headings.....	49
Section 14.09. Waiver of Notice.....	49
Section 14.10. Payments Due on Other than Business Day	49
Section 14.11. Payment of Unclaimed Moneys	49
Section 14.12. Separability of Invalid Provisions.....	49

EXHIBIT A:	DEFINITIONS
EXHIBIT B:	FORM OF THE SERIES A CERTIFICATES
EXHIBIT C:	FORM OF THE SERIES B CERTIFICATES
EXHIBIT D:	DESCRIPTION OF THE PROJECT

TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of November 1, 2015, by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and the COUNTY OF YUBA, a political subdivision, organized and existing under the laws of the State of California (the "County");

WITNESSETH:

WHEREAS, the County and the Corporation have entered into a lease agreement, dated as of the date hereof (the "Lease Agreement"), whereby the Corporation has agreed to lease certain real property and improvements (collectively, the "Property") to the County and the County has agreed to lease the Property from the Corporation;

WHEREAS, for the purpose of obtaining the moneys required to be deposited by it with the Trustee all for the purpose of enabling the County to finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the "Project"), the Corporation proposes to assign and transfer certain of its rights under the Lease Agreement to the Trustee, and the Trustee has agreed to execute and deliver (a) certificates of participation, each evidencing a direct, fractional interest in a portion of the lease payments made by the County under the Lease Agreement (the "Series A Certificates"), and (b) certificates of participation, each evidencing a direct, fractional interest in a portion of the lease payments made by the County under the Lease Agreement (the "Series B Certificates" and, with the Series A Certificates, the "Certificates"), to provide the moneys required herein to be deposited by the Corporation; and

WHEREAS, the proceeds of the Certificates, together with other available moneys, will be applied by the County to (a) finance the Project, (b) fund capitalized interest with respect to the Certificates through November 1, 2016, and (c) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The terms defined in Exhibit A attached hereto and by this reference incorporated herein, as used and capitalized herein, shall, for all purposes of this Trust Agreement, have the meanings ascribed to them in said Exhibit A unless the context clearly requires some other meaning.

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

Section 1.03. Interpretation.

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

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

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

Section 1.04. Exhibits. The following exhibits are attached to, and by reference made a part of, this Trust Agreement:

EXHIBIT A: DEFINITIONS

EXHIBIT B: FORM OF THE SERIES A CERTIFICATES

EXHIBIT C: FORM OF THE SERIES B CERTIFICATES

EXHIBIT D: DESCRIPTION OF THE PROJECT

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

Section 2.01. Authorization. The Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Underwriter, the Series A Certificates in an aggregate principal amount of _____ dollars (\$_____) evidencing direct, undivided fractional interests of the Owners thereof in the Series A Lease Payments. In addition, the Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Underwriter, the Series B Certificates in an aggregate principal amount of _____ dollars (\$_____) evidencing direct, undivided fractional interests of the Owners thereof in the Series B Lease Payments. In no event shall the Certificates be deemed an obligation, liability or debt of the Trustee.

Section 2.02. Date; Payment of Interest. Each Certificate shall be dated as of the Closing Date. Interest with respect thereto shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Regular Record Date and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before April 15, 2016, in which event interest with respect thereto shall be payable from the Closing Date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by wire or check mailed to the Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Section 2.03. Maturity; Interest Rates; Percentages.

(a) *Maturity; Interest Rates*. The Series A Certificates shall mature on November 1 in each of the respective years, and in the respective amounts, except that no Certificate may have principal maturing in more than one year, and interest represented thereby shall be computed at the respective rates, as follows:

Maturity Date (November 1)	Principal Amount	Interest Rate
2025		
2030		
2035		

The Series B Certificates shall mature on November 1 in each of the respective years, and in the respective amounts, except that no Certificate may have principal maturing in more than one year, and interest represented thereby shall be computed at the respective rates, as follows:

Maturity Date (November 1)	Principal Amount	Interest Rate
2017		
2018		

(b) *Payments With Respect to Certificates Equal to Total Lease Payments.* The total principal and interest due with respect to all Certificates shall not exceed the total Lease Payments due under the Lease Agreement.

Section 2.04. Interest. Interest represented by the Certificates shall be payable on each Interest Payment Date to and including the date of maturity or redemption, whichever is earlier, as provided in Section 2.10 hereof. Said interest shall represent the portion of Lease Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date. The portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate (on the basis of a 360-day year of twelve 30-day months).

Section 2.05. Forms. The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series A Certificates shall be numbered consecutively, beginning with RA-1. The Series A Certificates shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein. The Series B Certificates shall be numbered consecutively, beginning with RB-1. The Series B Certificates shall be substantially in the form set forth in Exhibit C attached hereto and by this reference incorporated herein.

Section 2.06. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized officer or signatory of the Trustee. If any officer or signatory whose signature appears on any Certificate ceases to be such officer or signatory before the date of delivery of said Certificate, such signature shall nevertheless be as effective as if the officer or signatory had remained in office until such date.

Section 2.07. Application of Proceeds and Other Moneys.

(a) The net proceeds received by the Trustee from the sale of the Series A Certificates in the aggregate amount of \$_____, being the face amount of the Series A Certificates (\$_____), less an underwriter's discount of \$_____, shall forthwith be deposited by the Trustee in the following respective funds:

(i) An amount equal to \$_____ shall be deposited in the Project Fund;

(ii) An amount equal to \$_____ shall be deposited in the Lease Payment Fund, representing capitalized interest on the Series A Certificates through _____; and

(iii) An amount equal to \$_____ shall be deposited in the Series A Account of the Delivery Costs Fund.

(b) The net proceeds received by the Trustee from the sale of the Series B Certificates in the aggregate amount of \$_____, being the face amount of the Series B Certificates (\$_____), less an underwriter's discount of \$_____, less the premium of \$_____ paid to BAM for the Municipal Bond Insurance Policy, shall forthwith be deposited by the Trustee in the Series B Account of the Delivery Costs Fund.

(C) The Trustee may establish a temporary fund or account in its records to facilitate such deposits and transfers.

Section 2.08. Transfer and Exchange.

(a) *Transfer of Certificates.* The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his attorney duly authorized in writing upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The County shall pay any costs of the Trustee incurred in connection with such transfer, except that the Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Certificates or portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificates selected for redemption.

(b) *Exchange of Certificates.* Certificates may be exchanged, upon surrender thereof, at the Principal Corporate Trust Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates shall be surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The County shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange (i) any Certificate or any portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificate selected for redemption.

Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor, maturity and amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed with a certificate of destruction furnished to the County. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor, maturity and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment by the County of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.09. Any Certificate executed and delivered under the provisions of this Section 2.09 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and fractionally entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Certificate to replace a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured or has been called for redemption, the Trustee may make payment with respect to such Certificate upon receipt of the aforementioned indemnity.

Section 2.10. Payment. Payment of interest due with respect to any Certificate on any Interest Payment Date shall be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his address as it appears on the Registration Books as of such Regular Record Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

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

(b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of his holding the same shall be proved by the Registration Books.

Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee pursuant to such request or consent.

Section 2.12. Registration Books. The Trustee shall keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Certificates, which shall at all reasonable times be open to inspection by the County and the Corporation during regular business hours on any Business Day with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Certificates as hereinbefore provided.

Section 2.13. CUSIP Numbers. The Trustee, the County and the Corporation shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners

and that neither the Trustee, the County nor the Corporation shall be liable for any inaccuracies in such numbers.

Section 2.14. Use of Depository. Notwithstanding any provision of this Trust Agreement to the contrary:

(a) The Certificates shall be initially executed, delivered and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one Certificate maturing on each of the maturity dates set forth in Section 2.03 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the County, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the County that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the County that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the County and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee, together with a written request of a County Representative to the Trustee, a single new Certificate shall be executed and delivered for each maturity of such Certificate then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of a County Representative. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee together with a written request of a County Representative, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested in a written request of the County provided the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a written request of a County Representative.

(c) In the case of partial redemption or an advance refunding of any Certificates evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the County's expense, deliver the Certificates to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The County and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the absolute Owner thereof for all purposes of this Trust Agreement

and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the County and the County and the Trustee shall have no responsibility for the accuracy of any records maintained by DTC or any participant in DTC or transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Certificates. Neither the County nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Certificate.

(e) So long as all outstanding Certificates are registered in the name of Cede & Co. or its registered assign, the County and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and interest due with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due, in accordance with the Letter of Representations between DTC and the Trustee.

(f) So long as all Outstanding Certificates are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Certificates' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of DTC's standard form blanket issuer letter of representations executed by the County and received and accepted by DTC.

ARTICLE III

ESTABLISHMENT AND DISBURSEMENT OF DELIVERY COSTS FUND

Section 3.01. Project Fund. The Trustee shall establish a special fund designated as the "Project Fund;" shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Project Fund from the proceeds of the Certificates the amount required to be deposited therein pursuant to Section 2.07(a)(i) hereof, together with any other amounts from time to time deposited with the Trustee for such purpose as may be identified in writing to the Trustee.

Section 3.02. Payment of Project Costs. Amounts in the Project Fund shall be disbursed for Project Costs. Disbursements from the Project Fund shall be made by the Trustee upon receipt of a sequentially numbered requisition requesting disbursement executed by a County Representative. Each such requisition shall:

(a) set forth the amounts to be disbursed for payment or reimbursement of previous payments of Project Costs and the person or persons to whom said amounts are to be disbursed;

(b) state that the amounts to be disbursed constitute Project Costs, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the County, or were necessarily and reasonably incurred, and that said amounts are not being paid in advance of the time, if any, fixed for payment;

(c) state that no amount set forth in the requisition was included in any requisition requesting disbursement previously filed with the Trustee pursuant to this Section 3.02; and

(d) state that there has been compliance with Section 5.11 of the Lease Agreement relating to the private use limitation and the private loan limitation.

The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 6.02 hereof) of the moneys held in the Project Fund and the payment thereof in accordance with this Section 3.02, but the Trustee shall not be responsible for the truth or accuracy of such requisitions, may rely conclusively thereon and shall be under no duty to investigate or verify any statements made therein.

Section 3.03. Delivery Costs Fund. The Trustee shall establish a special fund designated as the "Delivery Costs Fund;" shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. For purposes of accounting, the Trustee shall create two accounts in the Delivery Costs Account, a Series A Account and a Series B Account. There shall be deposited in the Series A Account of the Delivery Costs Fund the proceeds of sale of the Series A Certificates required to be deposited therein pursuant to Section 2.07(a)(iii) hereof and any other funds from time to time deposited with the Trustee for such purpose and identified in writing to the Trustee and there shall be deposited in the Series B Account of the Delivery Costs Fund the proceeds of sale of the Series B Certificates required to be deposited therein pursuant to Section 2.07(b).

Section 3.04. Payment of Delivery Costs. The moneys in the Delivery Costs Fund shall be disbursed by the Trustee to pay the Delivery Costs.

(a) The Trustee shall disburse moneys in the Delivery Costs Fund only upon a receipt of a sequentially numbered requisition, signed by a County Representative, setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the name and

address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund.

(b) The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 6.02 hereof) of the moneys held in the Delivery Costs Fund and the payment thereof in accordance with this Section 3.04, but the Trustee shall not be responsible for the truth or accuracy of such requisitions, may rely conclusively thereon and shall be under no duty to investigate or verify any statements made therein.

(c) Upon written notice from a County Representative that all Delivery Costs have been paid, but in no event later than February 3, 2016, the Trustee shall transfer any moneys then remaining in the Delivery Costs Fund to the Project Fund and applied for the purposes thereof, the Delivery Costs Fund shall be closed, the Trustee shall no longer be obligated to make payments for Delivery Costs and all further Delivery Costs shall be paid by the County.

Section 3.05. Transfers of Unexpended Proceeds. The Trustee is hereby directed that all unexpended moneys remaining in the Project Fund and not identified in writing by a County Representative to be required for payment of Project Costs or other capital improvements shall, on the Completion Date and following receipt by the Trustee of a Certificate of Completion, be transferred to the Lease Payment Fund and applied to pay the Lease Payments as the same become due and payable and the Project Fund shall be closed.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption.

(a) *Optional Redemption.*

(i) **Series A Certificates.** The Series A Certificates are subject to optional redemption prior to maturity in whole or in part on any date in such order of maturity as shall be designated by the County (or, if the County shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after November 1, ____, at a redemption price equal to the principal amount of the Series A Certificates to be redeemed, together with accrued interest, without premium, to the date fixed for redemption, from the proceeds of the optional prepayment of Series A Lease Payments made by the County pursuant to the Lease Agreement.

(ii) **Series B Certificates.** The Series B Certificates are not subject to optional redemption prior to maturity.

(b) *Mandatory Redemption.*

(i) **Series A Certificates.** The Series A Certificates maturing on November 1, 2025, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2018, to and including November 1, 2025, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to Section 4.4 of the Lease Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (February 1)	Principal Amount of Certificates to be Redeemed
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025†	

†Maturity.

The Series A Certificates maturing on November 1, 2030, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2026, to and including November 1, 2030, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to Section 4.4 of the Lease Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (February 1)	Principal Amount of Certificates to be Redeemed
2026	
2027	
2028	
2029	
2030†	

†Maturity.

The Series A Certificates maturing on November 1, 2035, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2031, to and including November 1, 2035, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to Section 4.4 of the Lease Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (February 1)	Principal Amount of Certificates to be Redeemed
2031	
2032	
2033	
2034	
2035†	

†Maturity.

In the event that the Trustee shall redeem Series A Certificates in part but not in whole pursuant to subsection (a) of this Section 4.01, the amount of the Series A Certificates to be redeemed in each subsequent year pursuant to this subsection (b) shall be reduced to correspond to the principal components of the Series A Lease Payments prevailing following such redemption as determined pursuant to Section 4.4 of the Lease Agreement.

(ii) **Series B Certificates.** The Series B Certificates are not subject to mandatory redemption.

(c) *Redemption From Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award.* The Certificates are subject to mandatory redemption in whole or in part on any date from the Net Proceeds of an insurance, title insurance, condemnation, or eminent domain award to the extent credited towards the prepayment of the Series A Lease Payments and the Series B Lease Payments by the County, pro rata, pursuant to Section 10.5 of the Lease Agreement, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

(d) *Extraordinary Mandatory Redemption from Unexpended Proceeds of the Series A Certificates.* The Series A Certificates or portions of the Series A Certificates, in multiples of \$5,000, are subject to extraordinary mandatory redemption within 90 days after the later of: (a) the third anniversary of the delivery date of the Series A Certificates; or (b) the Extension Period Expiration Date (as defined below), at par, plus accrued interest to the date of redemption, in a total amount equal to the unexpended Available Project Proceeds (as defined below) of the Series A Certificates plus such amount as shall be necessary to permit the Series A Certificates to be redeemed in multiples of \$5,000 within a single maturity, but only to the extent available

proceeds of the Series A Certificates are not expended by the later of: (i) the third anniversary of the delivery date of the Series A Certificates; or (ii) the Extension Period Expiration Date.

“Extension Period Expiration Date” means the last day of any extension of time negotiated with the Internal Revenue Service (the “IRS”), as evidenced in writing from the IRS, that extends the date by which the proceeds of the Series A Certificates must be expended.

“Available Project Proceeds” means the sum of (i) the excess of the proceeds of sale of the Series A Certificates over Delivery Costs paid out of such proceeds (to the extent such costs do not exceed two percent of such proceeds), and (ii) any investment earnings on such excess.

(e) *Extraordinary Optional Redemption Due to an Extraordinary Event.* The Series A Certificates are further subject to redemption prior to maturity at the option of the County upon the occurrence of an Extraordinary Event (defined below), from any source of available funds, as a whole or in part in multiples of \$5,000, on any date, at a redemption price equal to 100% of the principal amount of the Series A Certificates to be redeemed plus the Make-Whole Premium (defined below), if any, together with accrued interest to the date fixed for redemption.

“Accountable Event of Loss of New Clean Renewal Energy Bond Status” means (a) any act or any failure to act on the part of the County, which act or failure to act is a breach of a covenant or agreement of the County contained in the County’s tax certificate with respect to the Series A Certificates (the “Tax Certificate”) or the Series A Certificates and which act or failure to act causes the Series A Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code, or (b) the making by the County of any representation contained in the Tax Certificate or the Lease Agreement, which representation was untrue when made and the untruth of which representation at such time causes the Series A Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code.

“Comparable Treasury Issue” means the United States Treasury security selected by the Designated Banking Institution (defined below) as having a maturity comparable to the remaining term to maturity of the Series A Certificate being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series A Certificate being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series A Certificate or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer (defined below) quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Designated Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Designated Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Designated Banking Institution, at 2:00 p.m. New York City time on a Business Day at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption.

“Comparable Treasury Yield” means the yield appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Designated Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the

Series A Certificate being redeemed. The Comparable Treasury Yield will be determined at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series A Certificate being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series A Certificate being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series A Certificate being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price as of the date fixed for redemption.

"Date of Loss of New Clean Renewal Energy Bond Status" means the date specified in the determination or holding referenced in item (a) or (b) under the definition of "Extraordinary Event," as applicable, of the definition of "Extraordinary Event" as the date from and after which the Series A Certificates lost their status, or failed to qualify, as New Clean Renewal Energy Bonds as a result of an Accountable Event of Loss of New Clean Renewal Energy Bonds, which date could be as early as the date of initial issuance and delivery of the Series A Certificates.

"Designated Banking Institution" means an investment banking institution of national standing which is a primary United States government securities dealer with offices in the City of New York designated by the County (which may be the underwriter of the Series A Certificates).

"Extraordinary Event" means (a) a final determination by the Internal Revenue Service (after the County has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status; (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status (c) the enactment of legislation by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the County, would be to suspend, reduce or terminate the Subsidy Payment to be received pursuant to section 6431(f)(2) of the Code; or (d) if for any reason other than one attributable to the action or inaction of the County, (i) the United States Department of Treasury determines that the County is ineligible to receive all or part of the Federal Subsidy Payment payable with respect to the Series A Certificates or (ii) the United States Department of Treasury or agency of the United States of America at any time ceases to remit to the County all or any part of the Federal Subsidy Payment payable with respect to the Series A Certificates in accordance with the Code.

“Make-Whole Premium” means, with respect to any Series A Certificate to be redeemed, an amount calculated by a Designated Banking Institution equal to the positive difference, if any, between:

(1) The sum of the present values, calculated as of the date fixed for redemption of:

(a) Each interest payment that, but for the redemption, would have been payable on the Series A Certificate or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series A Certificate (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Series A Certificate, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series A Certificate to the date fixed for redemption; plus

(b) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series A Certificate or portion thereof being redeemed; minus

(2) The principal amount of the Series A Certificate or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate not less than the Comparable Treasury Yield, plus the Spread.

“Reference Treasury Dealer” means a primary United States Government securities dealer in the City of New York appointed by the County and reasonably acceptable to the Designated Banking Institution (which may be the underwriter of the Series A Certificates).

“Spread” means 1.00%.

Section 4.02. Selection of Certificates for Redemption. Whenever provision is made in this Trust Agreement for the redemption of Certificates and less than all Outstanding Certificates are to be redeemed, the Trustee shall select Certificates for redemption from the Outstanding Certificates not previously called for redemption in such order of maturity as shall be designated by the County, except for redemption pursuant to Section 4.01(b) (and, in lieu of such designation, *pro rata* among maturities), and by lot within a maturity. The Trustee shall select Certificates for redemption within a maturity by lot in any manner which the Trustee shall, in its sole discretion, deem appropriate. For the purposes of such selection, Certificates shall be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. The Trustee shall promptly notify the County and the Corporation in writing of the Certificates so selected for redemption. Selection by the Trustee of Certificates for redemption shall be final and conclusive.

Section 4.03. Notice of Redemption. The County shall be required to give the Trustee written notice of its intention to redeem Certificates at least forty-five (45) days prior to the date fixed for redemption unless the Trustee otherwise agrees to a shorter period for such notice. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption shall be given by the Trustee on behalf and at the expense of the County, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the

Certificate or Certificates to be redeemed at the address shown on the Certificate Registration Books maintained by the Trustee or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Certificates.

All notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Certificates of a maturity are to be redeemed, the Certificate numbers (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Certificate or portion thereof called for redemption and that interest with respect thereto shall cease to accrue from and after said date; (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Corporate Trust Office; (vi) the CUSIP numbers of all Certificates being redeemed; (vii) the original date of execution and delivery of the Certificates; (viii) the rate of interest payable with respect to each maturity of Certificates being redeemed; (ix) the maturity date of each Certificate being redeemed; and (x) any other descriptive information needed to identify accurately the Certificates being redeemed.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates under Section 4.01(a), the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of this Trust Agreement.

Notice of redemption having been given as aforesaid and the deposit of the redemption price having been made by the County, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee at the redemption price. Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer, to the extent possible. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Certificates which have been redeemed shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to Section 14.07.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee, by telecopy, registered, certified or overnight mail, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the redemption notice. The redemption notice may provide that the

CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Certificate Owners and that the Trustee and the County shall not be liable in any way for inaccuracies in said numbers.

Section 4.04. Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the Owner thereof a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Section 4.05. Purchase of Certificates. In lieu of redemption of Certificates as provided in this Article IV, amounts held by the Trustee for such redemption may also be used on any Interest Payment Date, upon receipt by the Trustee at least ninety (90) days prior to the next scheduled Interest Payment Date of the written request of a County Representative, for the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the County may in its discretion direct. Such purchases may be effected through the investment department of the Trustee or of an affiliate of the Trustee. The aggregate principal amount of Certificates of the same maturity purchased in lieu of redemption pursuant to this Section 4.05 shall not exceed

the aggregate principal amount of Certificates of such maturity which would otherwise be subject to such redemption. Remaining moneys, if any, shall be deposited in the Lease Payment Fund.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.01. Assignment of Rights in Lease Agreement. The Corporation has, in the Assignment Agreement, transferred, assigned and set over to the Trustee certain of its rights but none of its obligations set forth in the (a) Lease Agreement, including but not limited to all of the Corporation's rights to receive and collect Lease Payments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease Agreement or pursuant hereto and (b) the Site and Facility Lease. All Lease Payments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee and all of the Lease Payments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof, and all such Lease Payments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in Section 6.04 hereof).

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

Section 5.03. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments received by the Trustee (except as provided in Section 6.04 hereof), including any moneys received by the Trustee for deposit therein pursuant to Sections 2.07(a)(ii), 4.01, 5.01 or Article VI hereof, or Article IX of the Lease Agreement, and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement.

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

Section 5.05. Surplus. Any surplus remaining in the Lease Payment Fund after redemption and/or payment of all Certificates, including accrued interest (if any) and payment of any applicable fees and expenses to the Trustee and payment of any amounts owed to BAM, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the County.

ARTICLE VI

INSURANCE AND CONDEMNATION FUND; INSURANCE;
EMINENT DOMAIN; TITLE INSURANCESection 6.01. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.

(a) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the County in the event of any such damage or destruction shall be paid to the Trustee by the County pursuant to Section 7.2(a) of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" to be established by the Trustee when deposits are required to be made therein.

(b) Within ninety (90) days following the date of such deposit, the County shall determine and notify the Trustee in writing of its determination either (i) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the County, or (ii) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property.

(c) In the event the County's determination is as set forth in clause (i) of paragraph (b) above, such Net Proceeds shall be transferred by the Trustee to the Lease Payment Fund, applied to the prepayment of Lease Payments pursuant to Section 11.3 of the Lease Agreement and applied to the redemption of Certificates as provided in Section 4.01(b) hereof; *provided, however, that in the event of damage or destruction of the Property in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 11.3 of the Lease Agreement, otherwise such Net Proceeds shall be applied to the replacement, repair, restoration, modification or improvement of the Property; provided further, however, that in the event of damage or destruction of the Property in part, such Net Proceeds may be transferred to the Lease Payment Fund and applied to the prepayment of Lease Payments only if the resulting Lease Payments represent fair consideration for the remaining portions of the Property, evidenced by a certificate signed by a County Representative and a Corporation Representative.*

(d) In the event the County's determination is as set forth in clause (ii) of paragraph (b) above, Net Proceeds deposited in the Insurance and Condemnation Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the County, and disbursed by the Trustee upon receipt of requisitions signed by a County Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee shall not be responsible for the representations made in such requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the County.

Section 6.02. Application of Net Proceeds of Eminent Domain Award. If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 7.2(b) of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(a) If the County has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the County to meet any of its obligations with respect to the Property under the Lease Agreement, and (ii) such proceeds are not needed for repair or rehabilitation of the Property, the County shall so certify to the Trustee and the Trustee, at the County's written request, shall transfer such proceeds to the Lease Payment Fund to be credited towards the prepayment of the Lease Payments pursuant to Section 11.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in Section 4.01(b) hereof.

(b) If the County has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the County to meet any of its obligations with respect to the Property under the Lease Agreement, and (ii) such proceeds are needed for repair, rehabilitation or replacement of the Property, the County shall so certify to the Trustee and the Trustee, at the County's written request, shall pay to the County, or to its order, from said proceeds such amounts as the County may expend for such repair or rehabilitation, upon the filing with the Trustee of requisitions of the County Representative in the form and containing the provisions set forth in Section 6.01. The Trustee shall not be responsible for the representations made in such requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein.

(c) If (i) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the County has given written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the County to meet any of its obligations with respect to the Property under the Lease Agreement or (ii) all of the Property shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments pursuant to Section 11.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in 4.01(c) hereof.

(d) In making any determination under this Section 6.02, the County may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Trustee. Any such determination by the County shall be final.

Section 6.03. Application of Net Proceeds of Title Insurance Award. The Net Proceeds from a title insurance award shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(c) of the Lease Agreement and shall be transferred to the Lease Payment Fund to be credited towards the prepayment of Lease Payments required to be paid pursuant to Section 11.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in Section 4.01(c).

Section 6.04. Cooperation. The Corporation and the Trustee shall cooperate fully with the County, at the expense of the County, in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any portion thereof. Neither the Trustee nor the Corporation shall be obligated

to join in such action if it believes it will be exposed to liability or has not been indemnified to its satisfaction from any loss, liability or expense including, but not limited to, reasonable attorneys fees and expenses.

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT

Section 7.01. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates and for the purposes herein specified and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not (except as set forth in Section 8.03 hereof) be subject to levy, attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee, the County or any Owner of Certificates.

Section 7.02. Investments Authorized. Moneys held by the Trustee hereunder shall, upon written order of a County Representative, be invested and reinvested by the Trustee in Permitted Investments. The Trustee may deem all investments directed by a County Representative as Permitted Investments without independent investigation thereof. If a County Representative shall fail to so direct investments, the Trustee shall hold such moneys uninvested. Such investments, if registrable, shall be registered in the name of and held by the Trustee or its nominee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 7.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as principal or agent in the making or disposing of any investment and make or dispose of any investment through its investment department or that of an affiliate and shall be entitled to its customary fees therefor. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section 7.02, to deal with itself (in its individual capacity) or with one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee may rely on the investment directions of the County Representative as to both the suitability and legality of the directed investments.

Unless otherwise consented to by BAM, so long as any Certificates remain outstanding or any amounts are owed to BAM by the County, the County shall not enter into any interest rate exchange agreement, cap, collar, floor, ceiling or other agreement or instrument involving reciprocal payment obligations between the County and a counterparty based on interest rates applied to a notional amount of principal.

Section 7.03. Accounting. The Trustee shall furnish to the County, at least monthly, an accounting which may be in the form of its customary accounting statements of all investments made by the Trustee; provided that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 7.02 hereof. The County acknowledges that, to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the County the right to receive brokerage confirmations of security transactions, at no additional cost, the County waives receipt of such confirmations. The Trustee shall furnish to the County periodic statements of account which shall include detail of all investment transactions made by the Trustee.

Section 7.04. Allocation of Earnings. Unless and until otherwise directed by the County to the Trustee in writing, all interest or income received by the Trustee on investment of the Lease Payment Fund shall be retained in the Lease Payment Fund. Amounts retained or deposited in the Lease Payment Fund pursuant to this Section 7.04 shall be applied as a credit against the Lease Payment due by the County pursuant to the Lease Agreement on the Lease Payment Date following the date of deposit. All interest or income in the Delivery Costs Fund

shall be retained in the Delivery Costs Fund until the Delivery Costs Fund is closed pursuant to Section 3.02 hereof. All interest or income in the Project Fund shall be retained in the Project Fund until the Project Fund is closed pursuant to Section 3.05 hereof.

Section 7.05. Acquisition, Disposition and Valuation of Investments. The County covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued at their market value. In determining market value of Permitted Investments, the Trustee may use, and rely conclusively and without liability upon, any generally recognized securities pricing service (including brokers and dealers in securities) available to it.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Appointment of Trustee. U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America with a Principal Corporate Trust Office in San Francisco, California, is hereby appointed Trustee, registrar and paying agent by the Corporation and the County for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the County agree that they will maintain a Trustee which shall be a corporation or association organized under the laws of any state, the United States of America, or the District of Columbia, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a bank or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), subject to supervision or examination by federal or State authority, so long as any Certificates are Outstanding and acceptable to BAM. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 8.01, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.01, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.07.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or on redemption, or on purchase by the Trustee prior to maturity in accordance with Section 4.05 hereof, and to cancel all Certificates upon payment thereof. The Trustee shall keep records in accordance with corporate trust industry standards of all funds administered by it and of all Certificates paid and discharged.

Section 8.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Trust Agreement and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement against the Trustee. In case an Event of Default has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Trust Agreement and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) No provision in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(c) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys, receivers or agents and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and shall

be absolutely protected in relying thereon. The Trustee shall not be responsible for the misconduct of such persons selected by it with reasonable care.

(d) The Trustee shall not be responsible for any recital herein, in the Assignment Agreement or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates delivered hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the County under the Lease Agreement.

(e) The Trustee shall not be accountable for the use of any Certificates delivered hereunder or the proceeds thereof. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Certificates secured hereby with the same rights which it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the County with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(f) In the absence of bad faith on its part, the Trustee shall be protected in acting or refraining from acting upon any notice, request, consent, requisition, certificate, order, affidavit, facsimile, letter, telegram or other paper or document believed by it to be genuine and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates executed and delivered in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such person is the registered owner as shown on the Registration Books.

(g) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by a Corporation Representative or a County Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been given notice or is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may accept a certificate of a Corporation Representative or a County Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the County, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(h) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, affiliates and agents.

(i) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the County to make any of the Lease Payments to the Trustee required to be made by the County pursuant to the Lease Agreement or failure by the Corporation or the County to file with the Trustee any document required by this Trust Agreement or a Lease Agreement to be so filed subsequent to the delivery of the Certificates, unless the Trustee shall be specifically notified in writing of such default by the Corporation,

the County or by the Owners of at least five percent (5%) in aggregate principal amount of Certificates then Outstanding and all notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the County to the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article VII of this Trust Agreement.

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

(n) Before taking any action under Article XII hereof or this Section 8.02 at the request or direction of the Certificate Owners, the Trustee may require payment or reimbursement of its reasonable fees and expenses, including reasonable fees and expenses of counsel and receipt of an indemnity bond satisfactory to it from the Certificate Owners to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

(o) Under no circumstances shall the Trustee be liable for the obligations evidenced by the Certificates.

(p) The Trustee shall not be accountable for the use or application by the County or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(q) The Trustee has no obligation or duty to insure compliance by the County with the Code.

(r) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal or environmental requirements, quality,

durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the County or the Corporation of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Trust Agreement for the existence, furnishing or use of the Property.

(s) The Trustee makes no representations as to the validity or sufficiency of the Certificates and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the validity or sufficiency of the Lease Agreement or the assignment under the Assignment Agreement. The Trustee shall not be liable for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Lease Agreement, or the value of or title to the premises upon which the Property is located or the Property. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Certificates.

(t) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the County or the Corporation having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

(u) The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee hereunder.

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

(w) In acting or omitting to act pursuant to the Lease Agreement or any other document contemplated or executed in connection herewith, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement and the Lease Agreement, including, but not limited to, this Article VIII.

(x) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include

but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(y) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(z) The Trustee may consult with counsel, who may be counsel of or to the County or the Corporation, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(aa) Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the County, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.03. Fees, Charges and Expenses of Trustee. The County shall pay and reimburse the Trustee for reasonable fees for its services rendered hereunder and under the Assignment Agreement and all advances and expenditures, including but not limited to, advances to and reasonable fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Trustee in connection with such services and the Trustee shall, in the Event of Default, have a first and prior lien on the funds held hereunder to secure the same. The Trustee's rights hereunder, including its rights under Section 11.03 hereof, shall survive its resignation or removal and final payment of the Certificates. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 8.04. Notice to Certificate Owners of Default. If an Event of Default occurs of which the Trustee has been given or is deemed to have notice pursuant to Section 8.02(i) hereof, then the Trustee shall, within ninety (90) days of the occurrence thereof, give written notice thereof at the expense of the County by first class mail, postage prepaid, to the Owner of each Certificate, unless such Event of Default shall have been cured before the giving of such notice; *provided, however* that unless such Event of Default consists of the failure by the County to make any Lease Payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Certificate Owners not to give such notice.

Section 8.05. Intervention by Trustee. In any judicial proceeding to which the Corporation or the County is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of the Certificate Owners and shall do so if requested in writing by BAM or the Owners of at least twenty-five percent (25%) of the aggregate principal amount of Certificates then Outstanding and BAM, provided the Trustee shall have no duty to take such action unless it has received payment or reimbursement and has been indemnified to its satisfaction as provided in Section 8.02(n) hereof against all risk or liability arising from such action.

Section 8.06. Removal of Trustee. Upon thirty (30) days' notice, the County (so long as no Event of Default shall have occurred and be continuing) or the Owners of at least a majority of the aggregate principal amount of Certificates then Outstanding may, with the consent of the Corporation, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee and the Corporation, and may appoint a successor or successors thereto; provided that any such successor shall be a Corporation or association meeting the requirements set forth in Section 8.01 hereof.

Section 8.07. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign by giving thirty (30) days' written notice by registered or certified mail to the County and the Corporation.

Section 8.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 9.06 or 9.07 hereof, the County shall promptly appoint a successor Trustee. In the event the County shall, for any reason whatsoever, fail to appoint a successor Trustee within thirty (30) days following the delivery to the Trustee of the instrument described in Section 8.06 hereof or within thirty (30) days following the receipt of notice by the County pursuant to Section 8.07 hereof, the Trustee may apply to a court of competent jurisdiction at the expense of the County, for the appointment of a successor Trustee meeting the requirements of Section 8.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the County purporting to appoint a successor Trustee following the expiration of such thirty (30) day period. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Section 8.09. Merger or Consolidation. Any company or association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 8.01 hereof, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also the Corporation and the County an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the County, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Upon such acceptance, the County shall mail, by first class mail, postage prepaid, or cause the mailing of, notice thereof to the Certificate Owners at their respective addresses set forth on the Registration Books. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the County. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement shall have been filed or recorded.

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 9.01. Amendments Permitted. This Trust Agreement and the rights and obligations of the Owners of the Certificates, the Lease Agreement and the rights and obligations of the parties thereto, the Site and Facility Lease and the rights and obligations of the parties thereto and the Assignment Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of BAM or the Owners of at least fifty percent (50%) in aggregate principal amount of the Certificates then Outstanding and BAM, exclusive of Certificates disqualified as provided in Section 9.03 hereof, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Certificate; or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of a Lease Agreement; or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.02 hereof.

This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the respective parties thereto, may (upon prior written notice to BAM) be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only (1) to add to the covenants and agreements of the Corporation or the County, (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein and which shall not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners of the Certificates, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners of the Certificates; (4) to add to the rights of the Trustee, or (5) to maintain the rating or ratings assigned to the Certificates. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto, as the case may be.

This Trust Agreement and the Lease Agreement may not be modified or amended at any time by a supplemental agreement which would modify any of the rights and obligations of the Trustee without its written assent thereto.

The Trustee shall be furnished with an opinion of Independent Counsel that any amendment entered into hereunder complies with the provisions of this Article IX and the Trustee may rely conclusively on such opinion.

Section 9.02. Procedure for Amendment with Written Consent of Certificate Owners. This Trust Agreement and the Lease Agreement may be amended by supplemental agreement as provided in this Section 9.02 in the event the consent of the Owners of the Certificates is required pursuant to Section 9.01 hereof. A copy of such supplemental agreement (or a summary thereof), together with a request to the Certificate Owners for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Trustee at the expense of the County, to each Owner of a Certificate at his address as set forth on the Registration Books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section 9.02 provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of BAM or the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding and BAM (exclusive of Certificates disqualified as provided in Section 8.03 hereof) and a notice shall have been mailed as hereinafter in this Section 8.02 provided. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in the following paragraph of this Section 8.02 provided for has been mailed.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail by first class mail, postage prepaid, a notice at the expense of the County, to the Owners of the Certificates in the manner hereinbefore provided in this Section 9.02 for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 9.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 9.02 to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 9.03. Disqualified Certificates. Certificates owned or held by or for the account of the County or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the County (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding (unless all such Certificates are owned or held, in which case all such Certificates shall be deemed Outstanding) for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; *provided, however*, that the Trustee shall not be liable for determining whether Certificates are owned or held by the County or any such other person unless such Certificates are registered in the name of the County on the Registration Books.

Section 9.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article IX, this Trust Agreement or a Lease Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or a Lease Agreement, as the case may be, for any and all purposes.

Section 9.05. Endorsement or Replacement of Certificates Delivered After Amendments. The County may determine that Certificates delivered after the effective date of any action

taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of his Certificate for such purpose at the Principal Corporate Trust Office, a suitable notation shall be made on such Certificate. The County may determine that the delivery of substitute Certificates, so modified as in the opinion of the County is necessary to conform to such Certificate Owners' action, is necessary and such substitute Certificates shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such substitute Certificate shall be exchanged at the Principal Corporate Trust Office, at the expense of the County, for a Certificate of the same character then Outstanding, upon surrender of such Outstanding Certificate.

Section 9.06. Amendatory Endorsement of Certificates. The provisions of this Article IX shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that proper notation thereof is made on such Certificates.

ARTICLE X
COVENANTS

Section 10.01. Compliance With and Enforcement of Lease Agreement. The County covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Site and Facility Lease and the Lease Agreement.

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

Section 10.02. Observance of Laws and Regulations. The County and the Corporation will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the County or the Corporation, respectively, including its right to exist and carry on business as a public entity, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 10.03. Prosecution and Defense of Suits. The County shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including reasonable attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 10.04. Recordation and Filing. The County shall record and file, or cause to be recorded and filed, the Site and Facility Lease, the Lease Agreement (or a memorandum thereof), the Assignment Agreement and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

Section 10.05. Budgets. The County shall supply to the Trustee and to BAM as soon as practicable, but not later than July 1 in each year, a written determination by a County Representative that the County has made adequate provision in its annual budget for the payment of Lease Payments due under the Lease Agreement in the Fiscal Year covered by such budget. The determination given by the County to the Trustee and to BAM shall be that the amounts so budgeted are fully adequate for the payment of all Lease Payments and Additional Payments due under the Lease Agreement in the annual period covered by such budget.

Section 10.06. Further Assurances. The Corporation and the County will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease Agreement, or as may be requested by the Trustee and for the better assuring and confirming unto the Owners of the Certificates and the Trustee the rights and benefits provided herein.

Section 10.07. Satisfaction of Conditions Precedent. The County hereby certifies, recites and declares that all acts, conditions and things required by the constitution and statutes of the State, the Lease Agreement and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, do exist, have happened and have been performed in due time, form and manner as required by law.

Section 10.08. Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, upon payment of its fees and expenses, including reasonable counsel fees, and receipt of indemnity satisfactory to it, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Certificates, or any holder or beneficial owner of the Certificates may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE XI

LIMITATION OF LIABILITY

Section 11.01. Limited Liability of County. Except for the payment of Lease Payments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the County contained in the Lease Agreement and this Trust Agreement, the County shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee, except as expressly set forth herein.

Section 11.02. No Liability of County or Corporation for Trustee Performance. Neither the County nor the Corporation shall have any obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 11.03. Indemnification of Trustee. The County shall to the extent permitted by law indemnify and save the Trustee, its officers, employees, directors, affiliates and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including reasonable legal fees and expenses (including allocated costs of internal counsel), arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Property by the Corporation or the County; (ii) any breach or default on the part of the Corporation or the County the performance of any of their respective obligations under the Lease Agreement, the Assignment Agreement, this Trust Agreement and any other agreement made and entered into for purposes of the Property; (iii) any act of the Corporation or the County or of any of their respective agents, contractors, servants, employees, licensees with respect to the Property; (iv) any act of any assignee of, or purchaser from the Corporation or the County or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Property; (v) the authorization of payment of Delivery Costs; (vi) the actions of any other party, including but not limited to the ownership, operation or use of the Property by the Corporation or the County including, without limitation, the use, storage, presence, disposal or release of any Hazardous Substances on or about the Property; (vii) the Trustee's exercise and performance of its powers and duties hereunder or as assigned to it under the Assignment Agreement or any other documents contemplated or executed in connection herewith or therewith; (viii) the offering and sale of the Certificates; (ix) the presence under or about or release from the Property, or any portion thereof, of any substance, material or waste which is or becomes regulated or classified as hazardous or toxic under State, local or federal law, or the violation of any such law by the County; or (x) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering document utilized in connection with the sale of the Certificates. Such indemnification shall include the costs and expenses of defending against any claim or liability arising under this Trust Agreement. No indemnification will be made under this Section 11.03 or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trustee, its officers, affiliates or employees. The County's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates or resignation or removal of the Trustee.

Section 11.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the County, the Corporation, the Trustee and the Owners of the

Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the County, the Corporation, the Trustee and said Owners.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF
CERTIFICATE OWNERS

Section 12.01. Assignment of Rights. Pursuant to the Assignment Agreement, the Corporation has transferred, assigned and set over to the Trustee all of the Corporation's rights in and to (a) the Site and Facility Lease and (b) the Lease Agreement (excepting only the Corporation's rights to give approvals and consents, and its rights under Sections 5.8, 7.3 and 9.4 and its obligations thereof), including without limitation all of the Corporation's rights to exercise such rights and remedies conferred on the Corporation pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

Section 12.02. Remedies. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may (with the prior written consent of BAM), and shall upon request of BAM or, if BAM is in breach of its obligations under the Municipal Bond Insurance Policy, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and upon payment of its reasonable fees and expenses, including reasonable counsel fees, and being indemnified to its satisfaction therefor shall, exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything herein or in the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

Section 12.03. Application of Funds. All moneys held by the Trustee in the funds and accounts held hereunder and all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XII or Article VIII of the Lease Agreement shall be applied by the Trustee in the following order upon presentation of the several Certificates:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default, and collecting moneys owed hereunder, including reasonable compensation to its agents, attorneys and counsel (including allocated costs of internal counsel), including all fees and expenses past due, and then fees costs and expenses of the Certificate Owners in declaring such Event of Default, and collecting moneys owed hereunder, including reasonable compensation to its agents, attorneys and counsel; and

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

Third, any amount due to BAM, not paid pursuant to *First* or *Second* above, and unpaid.

Section 12.04. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, or if there shall be nonpayment of principal or interest with respect to the Certificates, the Trustee in its discretion may and shall, upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon payment of its fees and expenses, including counsel fees, and being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as shall be deemed most effectual in support of any of its rights or duties hereunder. If one or more Events of Default shall occur and be continuing, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Property and for any property securing the Certificates and the revenues, income, produce, and profits thereon. In the case of any receivership, insolvency, bankruptcy, reorganization, or other judicial proceedings affecting the County or the Property, the Trustee shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Trust Agreement at the time of the institution of such proceedings, and also for any additional amount which may become due and payable thereafter, without prejudice to the right of any Owner to file a claim on his or her own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its reasonable legal fees and expenses in accordance with this Section 12.04. Subject to Section 14.07 hereof, nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Certificate Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Certificate Owners so affected.

Section 12.05. Non-waiver. Nothing in this Article XII or in any other provision of this Trust Agreement or in the Certificates, shall affect or impair the obligation of the County to pay or prepay the Lease Payments as provided in the Lease Agreement, or affect or impair the right of action, which is absolute and unconditional, of the Certificate Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee, to BAM or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

Section 12.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 12.07. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however,* that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Certificates Outstanding.

Section 12.08. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least twenty-five percent (25%) in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

The right of any Owner of any Certificate to receive payment of said Owner's fractional interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 12.08 or any other provision of this Trust Agreement.

Section 12.09. Parties Interested Herein. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the County, the Corporation, the Trustee and BAM, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Trust Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Corporation, the Trustee and BAM, their officers, employees and agents, and the Owners.

ARTICLE XIII

PROVISIONS RELATING TO BAM AND THE MUNICIPAL
BOND INSURANCE POLICYSection 13.01. Notices and Other Information.

(a) The County will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the Owners or the Trustee under the Lease Agreement or the Trust Agreement.

The notice address of BAM is: Build America Mutual Assurance Company, 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2015B0110, Telephone: (212) 235-2500, Fax: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Municipal Bond Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Fax: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(b) BAM shall have the right to receive such additional information as it may reasonably request.

(c) The County will permit BAM to discuss the affairs, finances and accounts of the County or any information BAM may reasonably request regarding the security for the Certificates with appropriate officers of the County, and the County will use best efforts to enable BAM to have access to the facilities, books and records of the County on any Business Day upon reasonable prior notice.

(d) The Trustee shall notify BAM of any failure of the Corporation or the County to provide notices, certificates and other information required to be provided under the Trust Agreement or the Lease Agreement.

Section 13.02. Defeasance.

(a) The investments in the any defeasance escrow relating to the Certificates shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

(b) At least three (3) Business Days prior to any defeasance with respect to the Certificates, the County shall deliver to BAM and the Trustee draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Certificates, and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report and the prior written consent of BAM, which consent will not be unreasonably withheld.

(c) The County will not exercise any prior optional redemption of the Certificates secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption. \

(d) The County shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

Section 13.03. Trustee-Related Provisions.

(a) BAM shall receive written notice of any name change of the Trustee or the resignation or removal of the Trustee. Any successor trustee must be (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (c) otherwise approved by BAM in writing.

(b) No removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

(c) The Trustee may be removed at any time at the request of BAM for any breach of its obligations under the Trust Agreement.

Section 13.04. Amendments and Supplements. BAM's prior written consent is required for all amendments and supplements to the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement, with the exceptions noted below. The County shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Certificates.

(a) *Consent of BAM.* Any amendments or supplements to the Lease Agreement or the Trust Agreement shall require the prior written consent of BAM with the exception of amendments or supplements:

(i) to cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the therein or in any supplement thereto, or

(ii) to grant or confer upon the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, or

(iii) to add to the covenants and agreements of the County in the Lease Agreement and the Trust Agreement other covenants and agreements thereafter to be observed by the County or to surrender any right or power therein reserved to or conferred upon the County.

(b) *Consent of BAM in Addition to Owner Consent.* Any amendment, supplement, modification to, or waiver of, any of the Lease Agreement or the Trust Agreement that requires the consent of Owners or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

(c) *Consent of BAM in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the County must be acceptable to BAM. In the event of any reorganization or liquidation of the County, BAM shall have the right to vote on behalf of all Owners absent a continuing failure by BAM to make a payment under the Municipal Bond Insurance Policy.

(d) *Consent of BAM Upon Default.* Anything in the Lease Agreement and the Trust Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an Event of Default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Lease Agreement and the Trust Agreement. No default or Event of Default may be waived without BAM's written consent.

(e) *BAM as Owner.* Upon the occurrence and continuance of a default or an Event of Default, BAM shall be deemed to be the sole owner of the Certificates for all purposes, including, without limitations, for purposes of exercising remedies and approving amendments.

(f) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults under the Lease Agreement. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

(g) *Special Provisions for Insurer Default.* If an Insurer Default (hereinafter defined) shall occur and be continuing, then, notwithstanding anything in paragraphs (a)-(e) above to the contrary, (i) if at any time prior to or following an Insurer Default, BAM has made payment under the Municipal Bond Insurance Policy, to the extent of such payment BAM shall be treated like any other Owner for all purposes, including giving of consents, and (ii) if BAM has not made any payment under the Municipal Bond Insurance Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Municipal Bond Insurance Policy, in which event, the foregoing clause (i) shall control. For purposes of this paragraph, "Insurer Default" means: (1) BAM has failed to make any payment under the Municipal Bond Insurance Policy when due and owing in accordance with its terms; or (2) BAM shall (A) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (B) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (C) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors, or (F) take action for the purpose of effecting any of the foregoing; or (3) any state or federal agency or instrumentality shall order the suspension of payments on the Municipal Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

(h) *Project Fund.* Unless BAM otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of payment of the principal, interest or redemption price due with respect to the Certificates.

(i) *Exercise of Rights by BAM.* The rights granted to BAM under the Site and Facility Lease, the Lease Agreement and/or the Trust Agreement to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's

contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Certificates and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the Owners of the Certificates or any other person is required in addition to the consent of BAM.

BAM shall be entitled to pay principal or interest with respect to the Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Municipal Bond Insurance Policy), whether or not BAM has received a claim upon the Municipal Bond Insurance Policy.

Section 13.05. BAM as Third Party Beneficiary. BAM is explicitly recognized as being a third party beneficiary hereunder and may enforce such right, remedy or claim conferred, given or granted hereunder.

Section 13.06. Payment Procedure Under the Municipal Bond Insurance Policy.

(a) In the event that principal and/or interest due with respect to the Certificates shall be paid by BAM pursuant to the Municipal Bond Insurance Policy, the Certificates shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the County to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Certificates.

(b) In the event that on the second (2nd) Business Day prior to any Interest Payment Date, the Trustee has not received sufficient moneys to pay all principal of and interest due with respect to the Certificates on such Interest Payment Date, the Trustee shall immediately notify BAM or its designee on the same Business Day, by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall so notify BAM or its designee.

(c) In addition, if the Trustee has received written notice that any holder of the Certificates has been required to disgorge payments of principal of or interest on the Certificates pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

(d) The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for the Owners as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal with respect to the Certificates, the Trustee shall (A) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owners in any legal proceeding related to the payment and assignment to BAM of the claims for interest with respect to the Certificates, (B) receive, as designee of the respective Owners (and not as Trustee), in accordance with the tenor of the Municipal Bond Insurance Policy, payment from BAM with respect to the claims for interest so assigned, and (C) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal with respect to the Certificates, the Trustee shall (A) execute and deliver to BAM, in form satisfactory to

BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owner in any legal proceeding related to the payment of such principal and an assignment to BAM of the Certificates surrendered to BAM, (B) receive, as designee of the respective Owners (and not as Trustee), in accordance with the tenor of the Municipal Bond Insurance Policy, payment therefore from BAM, and (C) disburse the same to such Owners. The Trustee shall designate any portion of payment of principal with respect to Certificates paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Certificates registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Certificate to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Certificate shall have no effect on the amount of principal or interest payable by the County with respect to any Certificate or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest and principal with respect to Certificates disbursed by the Trustee from proceeds of the Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the County with respect to such Certificates, and BAM shall become the owner of such unpaid Certificates and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

(e) Irrespective of whether any such assignment is executed and delivered, the County and the Trustee agree for the benefit of BAM that:

(i) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal or interest with respect to the Certificates, BAM will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the County, with interest thereon, as provided and solely from the sources stated in the Lease Agreement and the Trust Agreement; and

(ii) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the Lease Agreement and the Trust Agreement, but only from the sources and in the manner provided therein for the payment of principal and interest with respect to the Certificates to Owners, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

Section 13.07. Additional Payments. The County agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Site and Facility Lease, the Lease Agreement and the Trust Agreement ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The County agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the County agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Municipal Bond Insurance Policy (the "BAM Policy Payments"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the County, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The County hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the payment of Lease Payments on a parity with the Lease Payments.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Defeasance. If and when all Outstanding Certificates shall be paid and discharged and all other amounts due and owing hereunder have been paid (as set forth below) then, notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the County with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the County to pay or cause to be paid, from Lease Payments paid by or on behalf of the County from funds deposited pursuant to paragraph (b) of this Section 14.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraph (b), the Certificates shall continue to represent direct and fractional interests of the Owners thereof in Lease Payments under the Lease Agreement.

Such payment and discharge may be accomplished in either of the following ways:

(a) by well and truly paying or causing to be paid the principal, and interest with respect to all Certificates Outstanding, as and when the same become due and payable; or

(b) by irrevocably depositing with the Trustee or an escrow holder security for the payment of Lease Payments as more particularly described in Section 11.1 of the Lease Agreement, to be applied to pay the Lease Payments as the same become due and payable and prepay the Lease Payments in full on any prepayment date, pursuant to Section 11.1 of the Lease Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) or (b) of this Section 14.01, which are not required for the payment to be made to Owners or BAM, shall, after payment of all fees and expenses of the Trustee and BAM, including attorneys fees (including allocated costs of internal counsel), be paid over to the County.

To accomplish defeasance, the County shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to BAM ("Accountant") verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to BAM), and (iii) an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer Outstanding; each Verification and defeasance opinion shall be acceptable in form and substance to the County and BAM, and addressed, to the County and the Trustee and BAM. In the event a forward purchase agreement will be employed in the refunding, such agreement shall be subject to the approval of BAM and shall be accompanied by such opinions of counsel as may be required by BAM. BAM shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

Certificates shall be deemed Outstanding under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Section 14.02. Records. The Trustee shall keep records in accordance with corporate trust industry standards of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the County, the Corporation, BAM and any Owner of at least five percent (5%) of the Outstanding principal amount of the Certificates, or the agent of any of them, at any time during regular business hours on any Business Day upon reasonable prior notice.

Section 14.03. Notices. All written notices to be given under this Trust Agreement shall be given by first class mail, postage prepaid, to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States first class mail, postage prepaid to the address set forth below:

If to the Corporation: County of Yuba Public Facilities Corporation
c/o County of Yuba
915 8th Street
Marysville, CA 95691
Attention: County Administrator
Phone: (530) 749-7575
Fax: (530) 749-7312

If to the County: County of Yuba
915 8th Street
Marysville, CA 95691
Attention: County Administrator
Phone: (530) 749-7575
Fax: (530) 749-7312

If to the Trustee: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services
Phone: (415) 677-3599
Fax: (415) 677-3768

If to BAM: See Section 13.01

The Trustee agrees to notify the Corporation and BAM in the event of any prepayment by the County of Lease Payments under the Lease Agreement and upon the termination of the Lease Agreement.

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

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

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

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

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

Section 14.09. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by first class mail, postage prepaid, or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 14.10. Payments Due on Other than Business Day. If the date for making any payment as provided in this Trust Agreement is not a Business Day, such payment may be made on the next succeeding Business Day with the same force and effect as if done on the date provided therefore herein.

Section 14.11. Payment of Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement and subject to the escheat laws of the State, any moneys held by the Trustee in trust for the payment of the principal or interest due with respect to any Certificates and remaining unclaimed two years from the date of deposit of such funds, or if the law shall have been changed and the County has notified the Trustee of such change or the Trustee notifies the County, then on the date thirty (30) days prior to the then applicable escheat provision of State law, shall, on such date, be repaid to the County (without liability for interest) free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the County as aforesaid, the Trustee may (at the cost and request of the County) first mail to the Owners to whom such amounts have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the amounts so payable and with respect to the provisions relating to the repayment to the County of the moneys held for the payment thereof. The Trustee shall not be liable for any interest on funds held by it. The County shall not be liable for any interest on the sums paid to it pursuant to this Section 14.11 and shall not be regarded as a trustee of such money.

Section 14.12. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

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

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

COUNTY OF YUBA PUBLIC FACILITIES
CORPORATION

By _____
Mary Jane Griego
President

Attest:

By _____
Secretary

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

Attest:

By _____
Donna Stottlemeyer
Clerk of the Board of Supervisors

EXHIBIT A

DEFINITIONS

"Additional Payments" means the payments so designated and required to be paid by the County pursuant to Section 4.7 of the Lease Agreement.

"Applicable Environmental Laws" means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 USC Sections 9601 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 USC Sections 6901 *et seq.*; the Federal Water Pollution Control Act, 33 USC Sections 1251 *et seq.*; the Clean Air Act, 42 USC Sections 7401 *et seq.*; the California Hazardous Waste Control Law ("HWCL"), California Health & Safety Code Sections 25100 *et seq.*; the Hazardous Substance Account Act ("HSAA"), California Health & Safety Code Sections 25300 *et seq.*; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), California Water Code Sections 1300 *et seq.*; the Air Resources Act, California Health & Safety Code Sections 3900 *et seq.*; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 *et seq.*; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

"Assignment Agreement" means the Assignment Agreement, dated as of November 1, 2015, by and between the Corporation and the Trustee, together with any duly authorized and executed amendments thereto.

"Available Project Proceeds" means (i) the excess of (a) the Sale Proceeds over (b) the Delivery Costs (to the extent that such Delivery Costs do not exceed two percent of the lesser of Sale Proceeds or the principal amount of the Series A Certificates), and (ii) the proceeds from any investment earnings on Sale Proceeds.

"BAM" means Build America Mutual Assurance Company, a New York stock insurance company, or any successor thereto or assigns thereof.

"Board" means the Board of Supervisors of the County.

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

"Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the state in which the Principal Corporate Trust Office is located or in

the State are closed or are required to close or a day on which the New York Stock Exchange is closed.

"Capital Expenditures" means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Borrower was treated as a corporation subject to federal income taxation, taking into account the definition of Placed in Service set forth herein.

"Certificate of Completion" means the certificate of a County Representative certifying that the acquisition and installation of the Project has been completed by the County and that all costs relating thereto have been paid.

"Certificates" means, collectively, the Series A Certificates and the Series B Certificates.

"Closing Date" means November 24, 2015, the date upon which there is a physical delivery of the Certificates in exchange for the amount representing the purchase price of the Certificates by the Underwriter.

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

"Completion Date" means the date of completion of the Project as evidenced by the filing with the Trustee of a Certificate of Completion.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the County and dated the date of execution and delivery of the Certificates, as it may be amended from time to time in accordance with the terms thereof.

"Corporation" means the County of Yuba Public Facilities Corporation, a nonprofit, public benefit corporation organized and existing under and by virtue of the laws of the State.

"Corporation Representative" means the President, the Executive Director, the Treasurer and the Secretary of the Corporation, or the designee of any such official, or any other person authorized by resolution delivered to the Trustee to act on behalf of the Corporation under or with respect to the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement.

"County" means Yuba County, a political subdivision of the State.

"County Representative" means the Chair of the Board, the Superintendent, the Chief Business Officer, or the designee of any such official, or any other person authorized by resolution delivered to the Trustee to act on behalf of the County under or with respect to the Site and Facility Lease, the Lease Agreement and the Trust Agreement.

"Defeasance Obligations" means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, (e) CATS, TIGRS, STRPS, and (f) defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing).

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the County or the Corporation relating to the execution and delivery of the Site and Facility Lease, the Lease Agreement, the Trust Agreement and the Assignment Agreement or the execution, sale and delivery of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, costs for statistical data, initial fees and charges of the Trustee (including the fees and expenses of its counsel), financing discounts, legal fees and charges, insurance fees and charges (including title insurance), financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates, the premium for the Municipal Bond Insurance Policy and charges and fees in connection with the foregoing.

"Delivery Costs Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.01 of the Trust Agreement.

"Event of Default" means an event of default under the Lease Agreement, as defined in Section 9.1 thereof.

"Expenditure Period" means, with respect to the Series A Certificates, the three-year period beginning on the Closing Date, and any extension of such period by the Secretary of the Treasury pursuant to a request submitted to the Secretary of the Treasury, all as set forth in section 54A(d)(2)(B) of the Code.

"Facility" means those certain existing facilities more particularly described in Exhibit B to the Site and Facility Lease and in Exhibit B to the Lease Agreement.

"Federal Securities" means (a) Cash (insured at all times by the Federal Deposit Insurance Corporation), and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) Farmers Home Administration, (iv) General Services Administration, (v) Guaranteed Title XI financing, (vi) Government National Mortgage Association (GNMA), and (vi) State and Local Government Series.

"Fiscal Year" means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period selected by the County as its fiscal year.

"Hazardous Substance" means any substance that shall, at any time, be listed as "hazardous" or "toxic" in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 *et seq.*).

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the County or the Trustee.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services

providing information or disseminating notices of redemption of obligations similar to the Certificates.

"Insurance and Condemnation Fund" means the fund by that name established and held by the Trustee pursuant to Section 6.01 of the Trust Agreement.

"Interest Payment Date" means the first (1st) day of May and November in each year, commencing May 1, 2016, so long as any Certificates are Outstanding.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Certificates, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the BAM in its sole and absolute discretion shall specify.

"Lease Agreement" means that certain agreement for the lease of the Property by the Corporation to the County, dated as of November 1, 2015, together with any duly authorized and executed amendments thereto.

"Lease Payment Date" means the fifteenth (15th) day of April and October in each year during the Term of the Lease Agreement, commencing April 15, 2016.

"Lease Payment Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"Lease Payments" means the total payments required to be paid by the County pursuant to Section 4.4 of the Lease Agreement, including any prepayment thereof pursuant to Article X of the Lease Agreement, which payments consist of an interest component and a principal component, as set forth in Exhibits D, E and F to the Lease Agreement.

"Moody's" means Moody's Investors Service, New York, New York, or its successors.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by BAM guaranteeing the payment, when due, of the principal and interest with respect to the Certificates.

"Net Proceeds," when used with respect to insurance or condemnation proceeds, means any insurance proceeds or condemnation award paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"Outstanding," when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 9.03 of the Trust Agreement) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or redemption of which funds or Defeasance Obligations in the necessary amount shall have theretofore been deposited with the Trustee or an escrow

holder (whether upon or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.03 of the Trust Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

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

"Owner" or *"Certificate Owner"* or *"Owner of a Certificate,"* or any similar term, when used with respect to a Certificate means the person in whose name such Certificate shall be registered on the Registration Books.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Encumbrances" means, as of any particular time: (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the County may, pursuant to provisions of Article V of the Lease Agreement, permit to remain unpaid; (b) the Site and Facility Lease; (c) the Lease Agreement; (d) the Assignment Agreement; (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (f) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the County certifies in writing will not materially impair the use of the Property; and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease Agreement and to which the Corporation and the County agree in writing do not reduce the value of the Property.

"Permitted Investments" means any of the following:

- (a) Federal Securities;
- (b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: (i) Export-Import Bank, (ii) Rural Economic Community Development Administration, (iii) U.S. Maritime Administration, (iv) Small Business Administration, (v) U.S. Department of Housing & Urban Development (PHAs), (vi) Federal Housing Administration, and (vii) Federal Financing Bank;
- (c) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (i) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP), and (iii) senior debt obligations of the Federal Home Loan Bank System;
- (d) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
- (e) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(f) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

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

(h) Municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of “A2/A” or higher by both Moody’s and S&P;

(i) the Local Agency Investment Fund maintained by the State;

(j) Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended, including but not limited to the California Asset Management Program (CAMP); and

(k) the Yuba County Investment Pool.

“Placed in Service” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“Principal Corporate Trust Office” means the corporate trust office of the Trustee located at One California Street, Suite 1000, San Francisco, CA 94111, Attention: Global Corporate Trust Services, or, solely for the purposes of the presentation of Certificates for payment, transfer or exchange, the designated corporate trust operations office of the Trustee or such other office designated by the Trustee from time to time.

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

“Project” means clean renewable energy project consisting of a solar photovoltaic energy system, more particularly described in Exhibit D to the Trust Agreement.

"Project Costs" means all costs of payment of, or reimbursement for, the Project.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Article III of the Trust Agreement.

"Property" means, collectively, the Site and the Facility.

"Qualified Purpose" mean, collectively, wind facilities, geothermal or solar energy facilities or qualified hydropower facilities or closed loop biomass facilities or open loop biomass facilities or small irrigation power facilities or landfill gas facilities or trash facilities and/or marine and hydrokinetic renewable energy facilities, all as defined in section 45(d) of the Code.

"Rating Category" means, with respect to any Permitted Investment, one of the generic categories of rating by Moody's or S&P applicable to such Permitted Investment, without regard to any refinement or graduation of such rating category by a plus or minus sign or a numeral.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.12 of the Trust Agreement for registration of the ownership and transfer of ownership of the Certificates.

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

"Rental Period" means each twelve-month period during the Term of the Lease Agreement commencing on February 2 in any year and ending on February 1 in the next succeeding year; *provided, however*, that the first Rental Period shall commence on the Closing Date and shall end on February 1, 2016.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or its successors.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Series A Certificates, including (a) amounts used to pay underwriter's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Note or is otherwise associated with a Note (e.g., a redemption right).

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041 Attention: Call Notification Department; or to such other addresses and/or such other registered securities depositories holding substantial amounts of obligations of types similar to the Certificates.

"Series A Certificates" means the \$_____ aggregate principal amount of certificates of participation to be executed and delivered pursuant to the Trust Agreement which evidence direct, undivided fractional Interests of the Owners thereof in the Series A Lease Payments.

"Series A Lease Payments" means the payments required to be paid by the County pursuant to Section 4.4 and Exhibit C of the Lease Agreement, including any prepayment

thereof pursuant to Article X of the Lease Agreement, which payments consist of an interest component and a principal component, as set forth in Exhibit D to the Lease Agreement.

"Series A Owner" or *"Series A Certificate Owner"* or *"Series A Owner of a Certificate,"* or any similar term, when used with respect to a Series A Certificate means the person in whose name such Series A Certificate shall be registered on the Registration Books.

"Series B Certificates" means the \$_____ aggregate principal amount of certificates of participation to be executed and delivered pursuant to the Trust Agreement which evidence direct, undivided fractional Interests of the Owners thereof in the Series B Lease Payments.

"Series B Lease Payments" means the payments required to be paid by the County pursuant to Section 4.4 and Exhibit D of the Lease Agreement, including any prepayment thereof pursuant to Article X of the Lease Agreement, which payments consist of an interest component and a principal component, as set forth in Exhibit E to the Lease Agreement.

"Series B Owner" or *"Series B Certificate Owner"* or *"Series B Owner of a Certificate,"* or any similar term, when used with respect to a Series B Certificate means the person in whose name such Series B Certificate shall be registered on the Registration Books.

"Site" means that certain real property more particularly described in Exhibit A to the Site and Facility Lease and in Exhibit A to the Lease Agreement.

"Site and Facility Lease" means the Site and Facility Lease, dated as of November 1, 2015, by and between the County, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

"State" means the State of California.

"Subsidy Payments" means all semiannual payments received by the County from the U.S. Department of Treasury provided for in section 6431(f)(2) of the Code.

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

"Trust Agreement" means the Trust Agreement, dated as of November 1, 2015, by and among the County, the Corporation and the Trustee, together with any duly authorized amendments thereto.

"Trustee" means U.S. Bank National Association, or any successor thereto, acting as Trustee pursuant to the Trust Agreement.

"Underwriter" means Hilltop Securities Inc., the first purchaser of the Series A Certificates and of the Series B Certificates upon their delivery by the Trustee on the Closing Date.

EXHIBIT B

FORM OF THE SERIES A CERTIFICATES

Certificate of Participation, Series A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)
Evidencing a Direct, Undivided Fractional Interest of the
Owners Hereof in Lease Payments to be Made by the
COUNTY OF YUBA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation

RATE OF INTEREST	MATURITY DATE	DATED DATE	CUSIP
_____%	November 1, ____	November 24, 2015	988294 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns (the "Owner"), as the registered owner of this Certificate of Participation (the "Certificate"), is the owner of a direct, undivided, fractional interest in a portion of the lease payments (the "Lease Payments") to be paid by the County of Yuba, a political subdivision, duly organized and existing under the laws of the State of California (the "County"), pursuant to that certain Lease Agreement, dated as of November 1, 2015, by and between the County of Yuba Public Facilities Corporation, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation") and the County (the "Lease Agreement"), which Lease Payments, prepayments and certain other rights and interests under the Lease Agreement have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office in San Francisco, California, or any other such location so designated by the Trustee (the "Principal Corporate Trust Office").

The Owner is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date identified above, the Principal Amount identified above, representing a direct, undivided fractional portion of the Lease Payments designated as principal coming due on such date, and to receive on May 1 and November 1 of each year, commencing May 1, 2016 (each, an "Interest Payment Date"), until payment in full of said Principal Amount, the Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the six months immediately preceding each of the Interest Payment Dates; provided that interest represented hereby shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) this Certificate is executed after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date, and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) this Certificate is executed on or before April 15, 2016, in which event interest shall be payable from the Dated Date stated above; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or

made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check of the Trustee mailed to the registered owners of the Certificates as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the registered owners of the Certificates not less than ten (10) days prior to such special record date. Said direct, undivided fractional share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above. Interest represented hereby is payable in lawful money of the United States of America by check mailed by the Trustee on each Interest Payment Date by first class mail to the Owner at his address as it appears on the registration books of the Trustee, as of the close of business on the fifteenth (15th) day of the month immediately preceding each Interest Payment Date or, upon written request filed with the Trustee prior to the fifteenth (15th) day of the month immediately preceding the Interest Payment Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by each registered owner in such written request. Principal represented hereby is payable in lawful money of the United States of America by check of the Trustee upon presentation and surrender hereof at the Principal Corporate Trust Office.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement by and among the Trustee, the Corporation and the County, dated as of November 1, 2015 (the "Trust Agreement"). The County is authorized to enter into the Lease Agreement and the Trust Agreement under the laws of the State of California. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the Principal Corporate Trust Office) for a description of the terms on which the Certificates are delivered, the rights thereunder of the registered owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the County under the Lease Agreement, all of the provisions of which the Owner of this Certificate, by acceptance hereof, assents and agrees.

The County is obligated under the Lease Agreement to pay Lease Payments from any source of legally available moneys and the County has covenanted in the Lease Agreement to make the necessary annual appropriations therefor. The obligation of the County to pay the Lease Payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. The obligation of the County to pay Lease Payments does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the registered owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then outstanding and may be amended without such consent under certain circumstances; provided that no such amendment shall impair the right of any registered owner to receive, in any case, such registered owner's fractional share of any Lease Payment or prepayment thereof in accordance with such registered owner's Certificate, without the consent of such registered owner.

This Certificate is transferable and exchangeable by the Owner, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner, subject to the limitations and upon payment of any charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates of an authorized denomination or denominations for the same aggregate principal amount will be delivered to the transferee in exchange for this Certificate. The County, the Corporation and the Trustee may treat the Owner as the absolute owner hereof

for all purposes, whether or not the payments represented by this Certificate shall be overdue and the County, the Corporation and the Trustee shall not be affected by any notice to the contrary.

Extraordinary Redemption. The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the County, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Optional Redemption. The Certificates are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the County (or, if the County shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after November 1, ____, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Lease Payments made by the County pursuant to the Lease Agreement.

Mandatory Redemption. The Certificates maturing on November 1, 2025, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2018, to and including November 1, 2025, from the principal components of scheduled Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025†	

†Maturity.

The Certificates maturing on November 1, 2030, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2026, to and including November 1, 2030, from the principal components of scheduled Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2026	\$280,000
2027	295,000
2028	310,000
2029	325,000
2030†	435,000

†Maturity.

The Certificates maturing on November 1, 2035, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2031, to and including November 1, 2035, from the principal components of scheduled Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2031	\$280,000
2032	295,000
2033	310,000
2034	325,000
2035†	435,000

†Maturity.

Extraordinary Mandatory Redemption from Unexpended Proceeds of the Certificates. The Certificates or portions of the Certificates, in multiples of \$5,000, are subject to extraordinary mandatory redemption within 90 days after the later of: (a) the third anniversary of the delivery date of the Certificates; or (b) the Extension Period Expiration Date (as defined below), at par, plus accrued interest to the date of redemption, in a total amount equal to the unexpended Available Project Proceeds (as defined below) of the Certificates plus such amount as shall be necessary to permit the Certificates to be redeemed in multiples of \$5,000 within a single maturity, but only to the extent available proceeds of the Certificates are not expended by the later of: (i) the third anniversary of the delivery date of the Certificates; or (ii) the Extension Period Expiration Date.

“Extension Period Expiration Date” means the last day of any extension of time negotiated with the Internal Revenue Service (the “IRS”), as evidenced in writing from the IRS, that extends the date by which the proceeds of the Certificates must be expended.

“Available Project Proceeds” means the sum of (i) the excess of the proceeds of sale of the Certificates over Delivery Costs paid out of such proceeds (to the extent such costs do not exceed two percent of such proceeds), and (ii) any investment earnings on such excess.

Extraordinary Optional Redemption Due to an Extraordinary Event. The Certificates are further subject to redemption prior to maturity at the option of the County upon the occurrence of an Extraordinary Event (defined below), from any source of available funds, as a whole or in part in multiples of \$5,000, on any date, at a redemption price equal to 100% of the principal amount of the Certificates to be redeemed plus the Make-Whole Premium (defined below), if any, together with accrued interest to the date fixed for redemption.

“Accountable Event of Loss of New Clean Renewal Energy Bond Status” means (a) any act or any failure to act on the part of the County, which act or failure to act is a breach of a covenant or agreement of the County contained in the County’s tax certificate with respect to the Certificates (the “Tax Certificate”) or the Certificates and which act or failure to act causes the Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code, or (b) the making by the County of any representation contained in the Tax Certificate or the Lease Agreement, which representation was untrue when made and the untruth of which representation at such time causes the Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code.

“Comparable Treasury Issue” means the United States Treasury security selected by the Designated Banking Institution (defined below) as having a maturity comparable to the remaining term to maturity of the Certificate being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Certificate being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Certificate or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer (defined below) quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Designated Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Designated Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Designated Banking Institution, at 2:00 p.m. New York City time on a Business Day at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption.

“Comparable Treasury Yield” means the yield appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Designated Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Certificate being redeemed. The Comparable Treasury Yield will be determined at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Certificate being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Certificate being redeemed; and (ii) closest to and less than the remaining term to maturity of the Certificate being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price as of the date fixed for redemption.

“Date of Loss of New Clean Renewal Energy Bond Status” means the date specified in the determination or holding referenced in item (a) or (b) under the definition of “Extraordinary Event,” as applicable, of the definition of “Extraordinary Event” as the date from and after which the Certificates lost their status, or failed to qualify, as New Clean Renewal Energy Bonds as a result of an Accountable Event of Loss of New Clean Renewal Energy Bonds, which date could be as early as the date of initial issuance and delivery of the Certificates.

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer with offices in the City of New York designated by the County (which may be the underwriter of the Certificates).

“Extraordinary Event” means (a) a final determination by the Internal Revenue Service (after the County has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status; (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status (c) the enactment of legislation by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the County, would be to suspend, reduce or terminate the Subsidy Payment to be received pursuant to section 6431(f)(2) of the Code; or (d) if for any reason other than one attributable to the action or inaction of the County, (i) the United States Department of Treasury determines that the County is ineligible to receive all or part of the Federal Subsidy Payment payable with respect to the Certificates or (ii) the United States Department of Treasury or agency of the United States of America at any time ceases to remit to the County all or any part of the Federal Subsidy Payment payable with respect to the Certificates in accordance with the Code.

“Make-Whole Premium” means, with respect to any Certificate to be redeemed, an amount calculated by a Designated Banking Institution equal to the positive difference, if any, between:

(1) The sum of the present values, calculated as of the date fixed for redemption of:

(a) Each interest payment that, but for the redemption, would have been payable on the Certificate or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Certificate (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Certificate, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Certificate to the date fixed for redemption; plus

(b) The principal amount that, but for such redemption, would have been payable on the maturity date of the Certificate or portion thereof being redeemed; minus

(2) The principal amount of the Certificate or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the

date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate not less than the Comparable Treasury Yield, plus the Spread.

“Reference Treasury Dealer” means a primary United States Government securities dealer in the City of New York appointed by the County and reasonably acceptable to the Designated Banking Institution (which may be the underwriter of the Certificates).

“Spread” means 1.00%.

“Subsidy Payment” means the refundable tax credit direct payment subsidies from the United States Treasury to or upon the order of the County pursuant to section 6431 of the Code with respect to the Certificates.

Notice of redemption is to be given by the Trustee by mailing a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate registration books maintained by the Trustee. Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to accrue and be payable. Neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of Certificates.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of the Trust Agreement.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The Trustee makes no representation concerning the recitals contained in the Trust Agreement or in this Certificate.

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

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation (“DTC”), to the County or its agent for registration of transfer, exchange, or payment, and any Certificate executed is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized

representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, this Certificate has been executed by U.S. Bank National Association, as trustee, acting pursuant to the Trust Agreement.

Date of Execution:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

ASSIGNMENT

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

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

the within Certificate and do(es) hereby irrevocably constitute and appoint

_____,
 attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in
 the premises.

Dated: _____

Signature Guaranteed:

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

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal and interest with respect to this Certificate to U.S. Bank National Association, Los Angeles, California, or its successor, as trustee for the Certificates (the "Trustee"). The Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of this Certificate, the Owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

EXHIBIT C

FORM OF THE SERIES B CERTIFICATES

**Certificate of Participation, Series B
(2015 Clean Renewable Energy Project)
Evidencing a Direct, Undivided Fractional Interest of the
Owners Hereof in Lease Payments to be Made by the
COUNTY OF YUBA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the County of Yuba Public Facilities Corporation**

RATE OF INTEREST	MATURITY DATE	DATED DATE	CUSIP
_____%	November 1, ____	November 24, 2015	988294 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns (the "Owner"), as the registered owner of this Certificate of Participation (the "Certificate"), is the owner of a direct, undivided, fractional interest in a portion of the lease payments (the "Lease Payments") to be paid by the County of Yuba, a political subdivision, duly organized and existing under the laws of the State of California (the "County"), pursuant to that certain Lease Agreement, dated as of November 1, 2015, by and between the County of Yuba Public Facilities Corporation, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation") and the County (the "Lease Agreement"), which Lease Payments, prepayments and certain other rights and interests under the Lease Agreement have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office in San Francisco, California, or any other such location so designated by the Trustee (the "Principal Corporate Trust Office").

The Owner is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date identified above, the Principal Amount identified above, representing a direct, undivided fractional portion of the Lease Payments designated as principal coming due on such date, and to receive on May 1 and November 1 of each year, commencing May 1, 2016 (each, an "Interest Payment Date"), until payment in full of said Principal Amount, the Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the six months immediately preceding each of the Interest Payment Dates; provided that interest represented hereby shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) this Certificate is executed after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date, and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) this Certificate is executed on or before April 15, 2016, in which event interest shall be payable from the Dated Date stated above; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or

made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check of the Trustee mailed to the registered owners of the Certificates as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the registered owners of the Certificates not less than ten (10) days prior to such special record date. Said direct, undivided fractional share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above. Interest represented hereby is payable in lawful money of the United States of America by check mailed by the Trustee on each Interest Payment Date by first class mail to the Owner at his address as it appears on the registration books of the Trustee, as of the close of business on the fifteenth (15th) day of the month immediately preceding each Interest Payment Date or, upon written request filed with the Trustee prior to the fifteenth (15th) day of the month immediately preceding the Interest Payment Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by each registered owner in such written request. Principal represented hereby is payable in lawful money of the United States of America by check of the Trustee upon presentation and surrender hereof at the Principal Corporate Trust Office.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement by and among the Trustee, the Corporation and the County, dated as of November 1, 2015 (the "Trust Agreement"). The County is authorized to enter into the Lease Agreement and the Trust Agreement under the laws of the State of California. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the Principal Corporate Trust Office) for a description of the terms on which the Certificates are delivered, the rights thereunder of the registered owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the County under the Lease Agreement, all of the provisions of which the Owner of this Certificate, by acceptance hereof, assents and agrees.

The County is obligated under the Lease Agreement to pay Lease Payments from any source of legally available moneys and the County has covenanted in the Lease Agreement to make the necessary annual appropriations therefor. The obligation of the County to pay the Lease Payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. The obligation of the County to pay Lease Payments does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the County, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

The Certificates are not subject to optional redemption prior to maturity.

Notice of redemption is to be given by the Trustee by mailing a redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate registration books maintained by the Trustee. Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment

of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to accrue and be payable. Neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of Certificates.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of the Trust Agreement.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the registered owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then outstanding and may be amended without such consent under certain circumstances; provided that no such amendment shall impair the right of any registered owner to receive, in any case, such registered owner's fractional share of any Lease Payment or prepayment thereof in accordance with such registered owner's Certificate, without the consent of such registered owner.

This Certificate is transferable and exchangeable by the Owner, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner, subject to the limitations and upon payment of any charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates of an authorized denomination or denominations for the same aggregate principal amount will be delivered to the transferee in exchange for this Certificate. The County, the Corporation and the Trustee may treat the Owner as the absolute owner hereof for all purposes, whether or not the payments represented by this Certificate shall be overdue and the County, the Corporation and the Trustee shall not be affected by any notice to the contrary.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The Trustee makes no representation concerning the recitals contained in the Trust Agreement or in this Certificate.

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

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any Certificate executed is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE

OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, this Certificate has been executed by U.S. Bank National Association, as trustee, acting pursuant to the Trust Agreement.

Date of Execution:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

ASSIGNMENT

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

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

the within Certificate and do(es) hereby irrevocably constitute and appoint

_____,
attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in
the premises.

Dated: _____

Signature Guaranteed:

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

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal and interest with respect to this Certificate to U.S. Bank National Association, Los Angeles, California, or its successor, as trustee for the Certificates (the "Trustee"). The Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of this Certificate, the Owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

EXHIBIT D

DESCRIPTION OF THE PROJECT

The Project consists of the acquisition an installation of a 1,645 kW DC photovoltaic energy system to be installed on the site of the County's animal service facility at 5245 Feather river Boulevard in Olivehurst, California

§ _____
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES B
(2015 Clean Renewable Energy Project)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Series B Lease Payments to be Made by the
COUNTY OF YUBA
as the Rental for Certain Property
Pursuant to a Lease Agreement with the
County of Yuba Public Facilities Corporation

CERTIFICATE PURCHASE AGREEMENT

November 5, 2015

County of Yuba
915 8th Street
Marysville, CA 95691

Ladies and Gentlemen:

The undersigned, Hilltop Securities Inc., as underwriter (the "Underwriter"), hereby offers to enter into this Certificate Purchase Agreement (this Certificate Purchase Agreement, together with the exhibits hereto, being herein called the "Purchase Agreement") with the County of Yuba (the "County"), which, upon acceptance, will be binding upon the County and the Underwriter. This offer is made subject to the acceptance by the County, by execution of this Purchase Agreement and its delivery to the Underwriter prior to 5:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to such acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in Trust Agreement, dated as of November 1, 2015 (the "Trust Agreement") by and among Trust Agreement by and among the County of Yuba Public Facilities Corporation (the "Corporation"), the County, and U.S. Bank National Association, as trustee (the "Trustee").

The County hereby acknowledges and agrees that (a) the purchase and sale of the Series B Certificates (hereinafter defined) pursuant to this Purchase Agreement is an arm's-length commercial transaction between the County and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and are not acting as the agent or fiduciary of the County, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the County with respect to the offering and sale of the Series B Certificates contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters) and the Underwriter has no obligation to the County with respect to the offering and sale of the Series B Certificates contemplated

hereby except the obligations expressly set forth in this Purchase Agreement, and (d) the County has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the issuance of the Series B Certificates and the other matters contemplated by this Purchase Agreement.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the County hereby agrees to sell and deliver to the Underwriter all of the \$_____ aggregate principal amount of County of Yuba Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the "Series B Certificates"), evidencing the direct, undivided fractional interests of the owners thereof in lease payments (the "Series B Lease Payments") to be made by the County pursuant to a Lease Agreement, dated as of November 1, 2015 (the "Lease Agreement"), with the Corporation. The purchase price of the Series B Certificates shall be \$_____ (representing an aggregate principal amount of the Series B Certificates of \$_____, less an Underwriter's discount of \$_____).

As an accommodation to the County, the Underwriter will pay, from the purchase price of the Series B Certificates, the sum of \$_____ to Build America Mutual Assurance Company ("BAM") as the premium for BAM's municipal bond insurance policy (the "Municipal Bond Insurance Policy") issued for the Series B Certificates and for the \$_____ aggregate principal amount of County of Yuba Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the "Series A Certificates").

The Underwriter agrees to make a bona fide public offering of all the Series B Certificates at the initial public offering prices (or yields) set forth on Exhibit A attached hereto. After the initial offering, the Underwriter reserves the right to change such public offering prices as the Underwriter shall deem necessary in marketing the Series B Certificates.

Section 2. The Series B Certificates. The Series B Certificates will be dated their date of delivery and will be substantially in the form described in, shall be authorized, executed and delivered under the provisions of, and shall be payable as provided in, the Trust Agreement. The Series B Certificates are being executed and delivered to provide funds to pay a portion of the costs incurred in connection with executing and delivering the Series A Certificates and the Series B Certificates.

The County will lease certain land (the "Site") and the improvements thereon (the "Facility") to the Corporation pursuant to a Site and Facility Lease, dated as of November 1, 2015 (the "Site and Facility Lease"). The Corporation will sublease the Site, the Facility and the Project back to the County pursuant to the Lease Agreement. The Corporation will assign its right to receive Series B Lease Payments from the County under the Lease to the Trustee pursuant to an Assignment Agreement, dated as of November 1, 2015 (the "Assignment Agreement").

The County will also enter into a Continuing Disclosure Certificate re, dated the Closing Date (the "Continuing Disclosure Certificate"). The Trust Agreement, the Site and Facility Lease, the Lease Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and this Purchase Agreement are hereinafter referred to as the "Legal Documents."

Section 3. The Official Statement.

(a) By its acceptance of this proposal, the County ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement, dated October 22, 2015, relating to the Series B Certificates (including the cover page,

the inside cover page, all appendices and all information incorporated therein, the "Preliminary Official Statement"). The County hereby certifies that such Preliminary Official Statement is deemed final as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for certain omissions with respect to the pricing of the Series B Certificates permitted to be omitted therefrom by Rule 15c2-12, and has executed and delivered a certificate in substantially the form attached hereto as Exhibit B.

The County hereby agrees to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Series A Certificates and the Series B Certificates (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, the inside cover page all appendices, all information incorporated therein and any amendments or supplements as have been approved by the County and the Underwriter, the "Official Statement") in such quantity as the Underwriter shall reasonably request. The County has approved the use and distribution by the Underwriter of the Official Statement, and the County hereby authorizes the use by the Underwriter of the Legal Documents in connection with the offer and sale of the Series B Certificates.

Section 4. **Closing.** At 8:00 A.M., California time, on November 24, 2015, or at such other time and date as may be agreed upon by the County and the Underwriter (the "Closing Date"), (i) the County will cause to be delivered to the Underwriter the Series B Certificates in definitive form, bearing CUSIP numbers and fully registered, through the book-entry system of The Depository Trust Company, New York, New York ("DTC"); and (ii) the County will cause to be delivered to the Underwriter the other documents herein mentioned at the offices of Quint & Thimmig LLP in Larkspur, California, or another place to be agreed upon by the County and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Series B Certificates as set forth in Section 1 hereof in immediately available funds to the order of the Trustee on behalf of the County. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series B Certificates on the Closing Date in accordance with the terms of this Purchase Agreement.

Section 5. **Representation, Warranties and Covenants of the County.** The County represents, warrants and covenants to the Underwriter that:

(a) The County is a political subdivision, duly organized and validly existing under the Constitution and laws of the State of California. The County has all necessary power and authority and has taken all official action necessary to enter into and perform its duties under the Trust Agreement, the Site and Facility Lease, the Lease Agreement, the Continuing Disclosure Certificate and this Purchase Agreement (collectively, the "County Documents"). The County Documents and the Official Statement have been duly executed and delivered by the County and, assuming the due authorization, execution and delivery by the other respective parties thereto, the County Documents will constitute legally valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) Except as may be required under Blue Sky or other securities laws of any state (as to which no representation is made), there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the County required for the execution, delivery and sale of the Series B Certificates or the consummation by

the County of the transactions contemplated by the County Documents and by the Official Statement, which has not been duly obtained or made on or prior to the date hereof.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental or public entity pending or threatened against the County which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Series B Certificates, or contesting the powers of the County to enter into or perform its obligations under any of the County Documents or the existence or powers of the County.

(d) the distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the County and as of the date hereof and at all times subsequent thereto up to and including the time of the Closing, the statements and information contained in the Official Statement (excluding statements under the captions "THE CORPORATION," "UNDERWRITING," information relating to BAM, the Municipal Bond Insurance Policy, DTC and the book-entry only system and information as to bond prices on the inside cover page of the Official Statement, as to which no opinion or view is expressed) are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The County agrees that, if at any time before the Closing Date any event of which it has knowledge occurs, as a result of which the Official Statement as then in effect would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the County shall promptly prepare or cooperate in the preparation of an amendment or supplement to the Official Statement if in the opinion of the County and the Underwriter or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement. The County shall advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriter. The County shall promptly advise the Underwriter of the institution of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Series B Certificates.

If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein concerning the County or the County's affairs, in the light of the circumstances under which it was presented, not misleading.

(f) The County shall furnish or cause to be furnished to the Underwriter, in such quantities as shall be reasonably required by the Underwriter, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(g) The proceeds from the sale to the Underwriter of the Series B Certificates will be applied in the manner and for the purposes specified in the Trust Agreement.

(h) The resolution of the County approving the execution and delivery of the County Documents and the Official Statement has been duly adopted by the County, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(i) Neither the execution and delivery by the County of the County Documents nor the County's adoption of the resolution, nor the County's compliance with such documents or such resolution, nor the consummation of the transactions contemplated by such documents, such resolution or the Official Statement, conflicts with or constitutes a breach of or default under, or will conflict with or constitute a breach of or default under, any term or provision of any applicable law or any administrative rule or regulation of the State of California or the United States or any applicable judgment, decree, order, license, permit, agreement or instrument to which the County is subject or is otherwise bound has or will have a material adverse effect on the ability of the County to perform its obligations under the County Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instruments.

(j) The County agrees to cooperate with the Underwriter in endeavoring to qualify the Series B Certificates for offer and sale under the securities or Blue Sky laws of as many jurisdictions of the states of the United States as the Underwriter may request; provided, however, that the County will not be required to expend any of its own funds in connection with such qualifications and will not be required to consent to service of process in any such jurisdiction in which it is not now subject to service of process or to qualify as a broker or a foreign corporation in connection with any such qualification in any jurisdiction.

(k) The County has not failed to comply with any previous continuing disclosure undertaking within the prior 5 years.

Section 6. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the County contained herein. The obligations of the Underwriter to accept delivery of and pay for the Series B Certificates on the Closing Date shall be subject, at the option of the Underwriter, to the performance by the Corporation and the County of their obligations, to be performed hereunder and under the Legal Documents, at or prior to the Closing Date and the following additional conditions:

(a) at the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Special Counsel or counsel to the Underwriter, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(b) between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth on the inside cover page of the Official Statement, of the Series B Certificates shall not have been materially adversely affected, in the reasonable judgment of the Underwriter, by reason of any of the following:

(i) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the normal operation of the government of or the financial community in the United States;

(ii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iii) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series B Certificates or obligations of the general character of the Series B Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (i) obligations of the general character of the Series B Certificates, or the Series B Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (ii) the execution and delivery, offering or sale of obligations of the general character of the Series B Certificates, or the execution and delivery, offering or sale of the Series B Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(c) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(ii) the approving opinion of Special Counsel, dated the Closing Date and addressed to the County, in substantially the form attached as Appendix B to the Official Statement, together with a reliance letter addressed to the Underwriter;

(iii) a supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriter and the County, in form and substance acceptable to each of them to the effect that:

(A) the statements in the Official Statement under the captions, "INTRODUCTION," "THE CERTIFICATES," "CONTINUING DISCLOSURE," "TAX MATTERS," "APPENDIX A-SUMMARY OF PRINCIPAL LEGAL DOCUMENTS," "APPENDIX C-FORM OF CONTINUING DISCLOSURE CERTIFICATE" AND "APPENDIX D-FORM OF SPECIAL COUNSEL OPINION," insofar as such statements purport to summarize certain provisions of the Series B Certificates, security for the Series B Certificates, the Trust Agreement, the Site and Facility Lease, the Lease, the Assignment Agreement, the Continuing Disclosure Certificate and the legal opinion of Special Counsel with respect thereto concerning the validity and tax status of interest with respect to the Series B Certificates, are accurate in all material respects; but excluding therefrom information about DTC and the book-entry only system;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the other respective parties thereto, constitutes the valid and binding agreement of the County and is enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; and

(C) the Series B Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended;

(iv) a certificate, dated the Closing Date, signed by a duly authorized official of the County satisfactory in form and substance in the reasonable judgment of the Underwriter to the effect that:

(A) the County is a political subdivision, duly organized and existing under the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the County Documents;

(B) by official action of the County, the County has approved the execution and delivery of and the performance by the County of the obligations on its part contained in the County Documents;

(C) the execution and delivery of the County Documents to which it is a party, compliance with the provisions thereof and performance of its duties thereunder, will not conflict with or constitute a breach of or default under the County's duties under any law, administrative regulation, judgment, decree, note, resolution, charter, by-law or other agreement to which the County is a party or is otherwise subject or by which its properties may be affected;

(D) the Official Statement, as of its date did not, and as of the Closing Date does not, does not contain any untrue or misleading statement of a material fact or omit to state any material fact which is necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(E) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the County required for the execution, delivery and sale of the Series B Certificates or the consummation by the County of the transactions on its part contemplated by the County Documents;

(F) the County is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, agreement or other instrument to which the County is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which breach or default has or may have a material adverse effect on the ability of the County to perform its obligations under the County Documents;

(G) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court or governmental agency or body, pending or, to the best knowledge of the County, threatened against the County, except as disclosed in the Official Statement, to restrain or enjoin the execution or delivery of the Series B Certificates, or in any way contesting or affecting the validity or enforceability of the Series B Certificates or the County Documents or contesting the powers of the County to enter into or perform its obligations under any of the foregoing; and

(H) the County covenants that it will not take any action which would cause interest with respect to the Series B Certificates to be subject to California personal income taxes;

(v) a certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Underwriter, to the effect that:

(A) the Trustee is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute the Series B Certificates;

(B) the representations of the Trustee in the Trust Agreement and the Assignment Agreement are true and correct in all material respects as of the Closing Date;

(C) to the best of its knowledge, no litigation is pending or threatened (either in state or federal courts) (1) to restrain or enjoin the execution or delivery of any of the Series B Certificates or the collection of revenues pledged under the Lease Agreement, or (2) in any way contesting or affecting any authority for the execution or delivery of the Series B Certificates or the validity or enforceability of the Trust Agreement or the Assignment Agreement;

(D) the Trustee is duly authorized to execute and deliver the Series B Certificates to the Underwriter upon instruction by the County pursuant to the terms of the Trust Agreement, and the Trust Agreement and the Assignment Agreement constitute legal, valid and binding obligations of the Trustee enforceable in accordance with its respective terms;

(E) to the best of its knowledge, the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under said documents or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is bound; and

(F) the Series B Certificates have been validly executed and delivered by the Trustee;

(vi) the opinion of counsel to the Trustee, addressed to the Underwriter and the County, dated the Closing Date, to the effect that:

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Trust Agreement and the Assignment Agreement and to accept the trust as provided therein, and to perform its obligations under the Trust Agreement and the Assignment Agreement;

(B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all proper corporate action has authorized the acceptance of the trust of the Trust Agreement;

(C) assuming the due authorization, execution and delivery by the other party to the Trust Agreement and the Assignment Agreement, the Trust Agreement and the Assignment Agreement, constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(D) the Series B Certificates have been validly executed by the Trustee; and

(E) to the best of such counsel's knowledge, no authorization, approval, consent or order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Trust Agreement and the Assignment Agreement by the Trustee or the authentication by the Trustee of the Series B Certificates;

(vii) a letter of Quint & Thimmig LLP, Larkspur, California, as disclosure counsel to the County, dated the Closing Date and addressed to the County and the Underwriter stating that based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of its date and as of the Closing Date, the Official Statement (excluding therefrom any information relating to BAM, the Municipal Bond Insurance Policy, DTC and its book-entry system included therein, and the information therein under the caption "UNDERWRITING" and the reports, financial and statistical data and forecasts therein, and the information included in the appendices thereto, as to which no opinion need be expressed) did not and does not contain any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) a copy of the Official Statement, executed on behalf of the County;

(ix) a copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Assignment Agreement;

(x) a copy of all resolutions relating to the Series B Certificates, the Official Statement and the Legal Documents adopted by the Corporation and the County, as applicable, and certified by an authorized official of the Corporation and the County;

(xi) a tax certificate by the County in form and substance acceptable to Special Counsel;

(xii) a copy of the Municipal Bond Insurance Policy;

(xiii) an opinion of counsel to BAM, addressed to the County and the Underwriter to the effect that:

(A) the descriptions of BAM and the Municipal Bond Insurance Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy constitutes the legal, valid and binding obligation of BAM, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the County or the Underwriter may reasonably request;

(xiv) a certificate of BAM, signed by an authorized officer of BAM, to the effect that:

(A) the information contained in the Official Statement relating to BAM and the Municipal Bond Insurance Policy is true and accurate and

(B) as to such other matters as the County or the Underwriter may reasonably request;

(xv) satisfactory evidence that the Series B Certificates have been assigned the underlying rating of "___" from Standard & Poor's Ratings Services ("S&P") and that the Series B Certificates have been assigned the insured rating of "AA" from S&P; and

(xvi) such additional legal opinions, certificates, proceedings, instruments or other documents as Special Counsel and counsel to the Underwriter, if any, may reasonably request to evidence compliance by the Corporation and the County with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and warranties of the County contained herein, and the due performance or satisfaction by the Corporation and the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the County.

Section 7. Changes in Official Statement. After the Closing, the County will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Series B Certificates, the Trustee, the Corporation or the County shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the County will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The County shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with a nationally recognized

municipal securities repository. For the purposes of this section the Trustee, the Corporation and the County will each furnish such information with respect to itself as the Underwriter may reasonably request from time to time during such period.

Section 8. **Expenses.** Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the County shall pay from the proceeds of the Series B Certificates or otherwise, all expenses and costs of the County and the Corporation incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Series B Certificates to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of Special Counsel and Disclosure Counsel and other professional advisors employed by the County or the Corporation, the fee of counsel to the Underwriter and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Series B Certificates. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Service Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Series B Certificates, shall be paid by the Underwriter.

Section 9. **Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Mr. Todd Smith, Senior Vice President, Hilltop Securities Inc., 2535 South Coast Highway 101, Suite 250, Cardiff by the Sea, CA 92007. Any notice or communication to be given to the County under this Purchase Agreement may be given by delivering the same in writing to the County's address set forth above, Attention: Mr. Robert Bendorf, County Administrator.

The approval of the Underwriter when required hereunder or the determination of the Underwriter's satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

Section 10. **Parties in Interest.** This Purchase Agreement is made solely for the benefit of the County and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the County in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment of the Series B Certificates.

Section 11. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. **Governing Law.** This Purchase Agreement shall be governed by the laws of the State of California.

HILLTOP SECURITIES INC., as
Underwriter

By _____
Jeffrey S. Harris
Senior Vice President

Accepted and Agreed to:

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

EXHIBIT A**MATURITY SCHEDULE**

\$ _____
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES B
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Series B Lease Payments to be Made by the
COUNTY OF YUBA
as the Rental for Certain Property
Pursuant to a Lease Agreement with the
County of Yuba Public Facilities Corporation

MATURITY SCHEDULE

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
2018				
2018				

REDEMPTION PROVISIONS

Extraordinary Redemption. The Series B Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the County, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Series B Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Optional Redemption. The Series B Certificates are not subject to optional redemption prior to maturity.

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the COUNTY OF YUBA (the "County") in connection with the execution and delivery of \$_____ County of Yuba Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of November 1, 2015, by and among U.S. Bank National Association, as trustee (the "Trustee"), the County and the County of Yuba Public Facilities Corporation (the "Trust Agreement"). Pursuant to Section 10.08 of the Trust Agreement, the County covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Dissemination Agent" shall mean Capitol Public Finance Group, LLC, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation. In the absence of such a designation, the County shall act as the Dissemination Agent.

"EMMA" or *"Electronic Municipal Market Access"* means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Participating Underwriter" shall mean any original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The County shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the County's fiscal year (which currently ends on June 30), commencing with the report for the 2014-15 Fiscal Year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date; provided further, however, that if the audited financial statements are not available by that date, the County shall, or shall cause the Dissemination Agent to, file unaudited financial statements for such prior fiscal year end.

(b) *Change of Fiscal Year.* If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the County.

(d) *Report of Non-Compliance.* If the County is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the County shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the County is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the County, file a report with the County certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the County for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the County, the Annual Report shall also include financial and operating data with respect to the County for preceding fiscal year, as follows, substantially similar to that provided in the corresponding tables and charts in the official statement for the Certificates:

- (1) Table 3—Tax Revenues By Source.
- (2) Table 4—Other Revenue Sources.
- (3) Table 5—Assessed Valuations.
- (4) Table 6—Assessed Valuation and Parcels by Land Use.
- (5) Table 7—Per Parcel 2014-15 Assessed Valuation of Single Family Homes.
- (6) Table 17—Direct and Overlapping Bonded Debt.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which are available to the public on EMMA. The County shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the County shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The County shall, or shall cause the Dissemination Agent (if not the County) to, give notice of the occurrence of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order

confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Certificates under the Trust Agreement.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the County, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the County. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Certificate owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the County shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the County.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid reasonable compensation by the County for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the County from time to time and all reasonable expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the County, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the County or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the County. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the County that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Certificate owners in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Certificate owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Certificate owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the County shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in

addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Trust Agreement. The obligations of the County under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: November 24, 2015

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

ACKNOWLEDGED:

CAPITOL PUBLIC FINANCE GROUP,
LLC, as Dissemination Agent

By _____
Name _____
Title _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: County of Yuba

Name of Issue: \$_____ Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the County of Yuba, as the Rental for Certain Property Pursuant to a Lease Agreement with the County of Yuba Public Facilities Corporation

Date of Issuance: November 24, 2015

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated November 24, 2015, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CAPITOL PUBLIC FINANCE GROUP,
LLC, Dissemination Agent

By _____
Authorized Officer

§ _____
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Series A Lease Payments to be Made by the
COUNTY OF YUBA
as the Rental for Certain Property
Pursuant to a Lease Agreement with the
County of Yuba Public Facilities Corporation

CERTIFICATE PURCHASE AGREEMENT

November 5, 2015

County of Yuba
915 8th Street
Marysville, CA 95691

Ladies and Gentlemen:

The undersigned, Hilltop Securities Inc., as underwriter (the “Underwriter”), hereby offers to enter into this Certificate Purchase Agreement (this Certificate Purchase Agreement, together with the exhibits hereto, being herein called the “Purchase Agreement”) with the County of Yuba (the “County”), which, upon acceptance, will be binding upon the County and the Underwriter. This offer is made subject to the acceptance by the County, by execution of this Purchase Agreement and its delivery to the Underwriter prior to 5:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to such acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in Trust Agreement, dated as of November 1, 2015 (the “Trust Agreement”) by and among Trust Agreement by and among the County of Yuba Public Facilities Corporation (the “Corporation”), the County, and U.S. Bank National Association, as trustee (the “Trustee”).

The County hereby acknowledges and agrees that (a) the purchase and sale of the Series A Certificates (hereinafter defined) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the County and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and are not acting as the agent or fiduciary of the County, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the County with respect to the offering and sale of the Series A Certificates contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters) and the Underwriter has no obligation to the County with respect to the offering and sale of the Series A Certificates contemplated

hereby except the obligations expressly set forth in this Purchase Agreement, and (d) the County has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the issuance of the Series A Certificates and the other matters contemplated by this Purchase Agreement.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the County hereby agrees to sell and deliver to the Underwriter all of the \$_____ aggregate principal amount of County of Yuba Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the “Series A Certificates”), evidencing the direct, undivided fractional interests of the owners thereof in lease payments (the “Series A Lease Payments”) to be made by the County pursuant to a Lease Agreement, dated as of November 1, 2015 (the “Lease Agreement”), with the Corporation. The purchase price of the Series A Certificates shall be \$_____ (representing an aggregate principal amount of the Series A Certificates of \$_____, less an Underwriter’s discount of \$_____).

As an accommodation to the County, the Underwriter will pay, from the purchase price of the Series A Certificates, the sum of \$_____ to Build America Mutual Assurance Company (“BAM”) as the premium for BAM’s municipal bond insurance policy issued for the Series A Certificates and for the \$_____ aggregate principal amount of County of Yuba Taxable Certificates of Participation, Series B (2015 Clean Renewable Energy Project) (the “Municipal Bond Insurance Policy”).

The County will designate the Series A Certificates as “New Clean Renewable Energy Bonds” (CREBs) under section 54C of the Internal Revenue Code of 1986, as amended (the “Code”) and will irrevocably elect under section 6431(f)(2) of the Code to receive a direct payment from the United States Treasury equal to the lesser of (i) the amount of interest payable with respect to the Series A Certificates, or (ii) seventy percent (70%) of the amount of interest which would be payable with respect to the Series A Certificates if the interest rates were determined at the applicable credit rate determined under section 54A(b)(3) of the Code.

The Underwriter agrees to make a bona fide public offering of all the Series A Certificates at the initial public offering prices (or yields) set forth on Exhibit A attached hereto. After the initial offering, the Underwriter reserves the right to change such public offering prices as the Underwriter shall deem necessary in marketing the Series A Certificates.

Section 2. The Series A Certificates. The Series A Certificates will be dated their date of delivery and will be substantially in the form described in, shall be authorized, executed and delivered under the provisions of, and shall be payable as provided in, the Trust Agreement. The Series A Certificates are being executed and delivered to provide funds to: (a) finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system, (b) fund capitalized interest with respect to the Series A Certificates through November 1, 2016, and (c) pay costs incurred in connection with executing and delivering the Series A Certificates.

The County will lease certain land (the “Site”) and the improvements thereon (the “Facility”) to the Corporation pursuant to a Site and Facility Lease, dated as of November 1, 2015 (the “Site and Facility Lease”). The Corporation will sublease the Site, the Facility and the Project back to the County pursuant to the Lease Agreement. The Corporation will assign its right to receive Series A Lease Payments from the County under the Lease to the Trustee pursuant to an Assignment Agreement, dated as of November 1, 2015 (the “Assignment Agreement”).

The County will also enter into a Continuing Disclosure Certificate relating to the Series A Certificates, dated the Closing Date (the “Continuing Disclosure Certificate”). The Trust

Agreement, the Site and Facility Lease, the Lease Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and this Purchase Agreement are hereinafter referred to as the "Legal Documents."

Section 3. **The Official Statement.**

(a) By its acceptance of this proposal, the County ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement, dated October 22, 2015, relating to the Series A Certificates (including the cover page, the inside cover page, all appendices and all information incorporated therein, the "Preliminary Official Statement"). The County hereby certifies that such Preliminary Official Statement is deemed final as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for certain omissions with respect to the pricing of the Series A Certificates permitted to be omitted therefrom by Rule 15c2-12, and has executed and delivered a certificate in substantially the form attached hereto as Exhibit B.

The County hereby agrees to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Series A Certificates and the Series B Certificates (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, the inside cover page all appendices, all information incorporated therein and any amendments or supplements as have been approved by the County and the Underwriter, the "Official Statement") in such quantity as the Underwriter shall reasonably request. The County has approved the use and distribution by the Underwriter of the Official Statement, and the County hereby authorizes the use by the Underwriter of the Legal Documents in connection with the offer and sale of the Series A Certificates.

Section 4. **Closing.** At 8:00 A.M., California time, on November 24, 2015, or at such other time and date as may be agreed upon by the County and the Underwriter (the "Closing Date"), (i) the County will cause to be delivered to the Underwriter the Series A Certificates in definitive form, bearing CUSIP numbers and fully registered, through the book-entry system of The Depository Trust Company, New York, New York ("DTC"); and (ii) the County will cause to be delivered to the Underwriter the other documents herein mentioned at the offices of Quint & Thimmig LLP in Larkspur, California, or another place to be agreed upon by the County and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Series A Certificates as set forth in Section 1 hereof in immediately available funds to the order of the Trustee on behalf of the County. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series A Certificates on the Closing Date in accordance with the terms of this Purchase Agreement.

Section 5. **Representation, Warranties and Covenants of the County.** The County represents, warrants and covenants to the Underwriter that:

(a) The County is a political subdivision, duly organized and validly existing under the Constitution and laws of the State of California. The County has all necessary power and authority and has taken all official action necessary to enter into and perform its duties under the Trust Agreement, the Site and Facility Lease, the Lease Agreement, the Continuing Disclosure Certificate and this Purchase Agreement (collectively, the "County Documents"). The County Documents and the Official Statement have been duly executed and delivered by the County and, assuming the due authorization, execution and delivery by the other respective parties thereto, the County Documents will constitute legally valid and binding obligations of

the County enforceable against the County in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) Except as may be required under Blue Sky or other securities laws of any state (as to which no representation is made), there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the County required for the execution, delivery and sale of the Series A Certificates or the consummation by the County of the transactions contemplated by the County Documents and by the Official Statement, which has not been duly obtained or made on or prior to the date hereof.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental or public entity pending or threatened against the County which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Series A Certificates, or contesting the powers of the County to enter into or perform its obligations under any of the County Documents or the existence or powers of the County.

(d) the distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the County and as of the date hereof and at all times subsequent thereto up to and including the time of the Closing, the statements and information contained in the Official Statement (excluding statements under the captions "THE CORPORATION," "UNDERWRITING," information relating to BAM, the Municipal Bond Insurance Policy, DTC and the book-entry only system and information as to bond prices on the inside cover page of the Official Statement, as to which no opinion or view is expressed) are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The County agrees that, if at any time before the Closing Date any event of which it has knowledge occurs, as a result of which the Official Statement as then in effect would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the County shall promptly prepare or cooperate in the preparation of an amendment or supplement to the Official Statement if in the opinion of the County and the Underwriter or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement. The County shall advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriter. The County shall promptly advise the Underwriter of the institution of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Series A Certificates.

If the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein concerning the County or the County's affairs, in the light of the circumstances under which it was presented, not misleading.

(f) The County shall furnish or cause to be furnished to the Underwriter, in such quantities as shall be reasonably required by the Underwriter, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(g) The proceeds from the sale to the Underwriter of the Series A Certificates will be applied in the manner and for the purposes specified in the Trust Agreement.

(h) The resolution of the County approving the execution and delivery of the County Documents and the Official Statement has been duly adopted by the County, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(i) Neither the execution and delivery by the County of the County Documents nor the County's adoption of the resolution, nor the County's compliance with such documents or such resolution, nor the consummation of the transactions contemplated by such documents, such resolution or the Official Statement, conflicts with or constitutes a breach of or default under, or will conflict with or constitute a breach of or default under, any term or provision of any applicable law or any administrative rule or regulation of the State of California or the United States or any applicable judgment, decree, order, license, permit, agreement or instrument to which the County is subject or is otherwise bound has or will have a material adverse effect on the ability of the County to perform its obligations under the County Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instruments.

(j) The County agrees to cooperate with the Underwriter in endeavoring to qualify the Series A Certificates for offer and sale under the securities or Blue Sky laws of as many jurisdictions of the states of the United States as the Underwriter may request; provided, however, that the County will not be required to expend any of its own funds in connection with such qualifications and will not be required to consent to service of process in any such jurisdiction in which it is not now subject to service of process or to qualify as a broker or a foreign corporation in connection with any such qualification in any jurisdiction.

(k) The County has not failed to comply with any previous continuing disclosure undertaking within the prior 5 years.

Section 6. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the County contained herein. The obligations of the Underwriter to accept delivery of and pay for the Series A Certificates on the Closing Date shall be subject, at the option of the Underwriter, to the performance by the Corporation and the County of their obligations, to be performed hereunder and under the Legal Documents, at or prior to the Closing Date and the following additional conditions:

(a) at the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Special Counsel or counsel to the Underwriter, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(b) between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth on the inside cover page of the Official Statement, of the Series A Certificates shall not have been materially adversely affected, in the reasonable judgment of the Underwriter, by reason of any of the following:

(i) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the normal operation of the government of or the financial community in the United States;

(ii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iii) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series A Certificates or obligations of the general character of the Series A Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (i) obligations of the general character of the Series A Certificates, or the Series A Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (ii) the execution and delivery, offering or sale of obligations of the general character of the Series A Certificates, or the execution and delivery, offering or sale of the Series A Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(c) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(ii) the approving opinion of Special Counsel, dated the Closing Date and addressed to the County, in substantially the form attached as Appendix B to the Official Statement, together with a reliance letter addressed to the Underwriter;

(iii) a supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriter and the County, in form and substance acceptable to each of them to the effect that:

(A) the statements in the Official Statement under the captions, "INTRODUCTION," "THE CERTIFICATES," "CONTINUING DISCLOSURE," "TAX MATTERS," "APPENDIX A-SUMMARY OF PRINCIPAL LEGAL DOCUMENTS," "APPENDIX C-FORM OF CONTINUING DISCLOSURE CERTIFICATE" AND "APPENDIX D-FORM OF SPECIAL COUNSEL OPINION," insofar as such statements purport to summarize certain provisions of the Series A Certificates, security for the Series A Certificates, the Trust Agreement, the Site and Facility Lease, the Lease, the Assignment Agreement, the Continuing Disclosure Certificate and the legal opinion of Special Counsel

with respect thereto concerning the validity and tax status of interest with respect to the Series A Certificates, are accurate in all material respects; but excluding therefrom information about DTC and the book-entry only system;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the other respective parties thereto, constitutes the valid and binding agreement of the County and is enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; and

(C) the Series A Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended;

(iv) a certificate, dated the Closing Date, signed by a duly authorized official of the County satisfactory in form and substance in the reasonable judgment of the Underwriter to the effect that:

(A) the County is a political subdivision, duly organized and existing under the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the County Documents;

(B) by official action of the County, the County has approved the execution and delivery of and the performance by the County of the obligations on its part contained in the County Documents;

(C) the execution and delivery of the County Documents to which it is a party, compliance with the provisions thereof and performance of its duties thereunder, will not conflict with or constitute a breach of or default under the County's duties under any law, administrative regulation, judgment, decree, note, resolution, charter, by-law or other agreement to which the County is a party or is otherwise subject or by which its properties may be affected;

(D) the Official Statement, as of its date did not, and as of the Closing Date does not, contain any untrue or misleading statement of a material fact or omit to state any material fact which is necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(E) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the County required for the execution, delivery and sale of the Series A Certificates or the consummation by the County of the transactions on its part contemplated by the County Documents;

(F) the County is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, agreement or other instrument to which the County is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both,

would constitute a default or an event of default under any such instrument, which breach or default has or may have a material adverse effect on the ability of the County to perform its obligations under the County Documents;

(G) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court or governmental agency or body, pending or, to the best knowledge of the County, threatened against the County, except as disclosed in the Official Statement, to restrain or enjoin the execution or delivery of the Series A Certificates, or in any way contesting or affecting the validity or enforceability of the Series A Certificates or the County Documents or contesting the powers of the County to enter into or perform its obligations under any of the foregoing; and

(H) the County covenants that it will not take any action which would cause interest with respect to the Series A Certificates to be subject to California personal income taxes;

(v) a certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Underwriter, to the effect that:

(A) the Trustee is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute the Series A Certificates;

(B) the representations of the Trustee in the Trust Agreement and the Assignment Agreement are true and correct in all material respects as of the Closing Date;

(C) to the best of its knowledge, no litigation is pending or threatened (either in state or federal courts) (1) to restrain or enjoin the execution or delivery of any of the Series A Certificates or the collection of revenues pledged under the Lease Agreement, or (2) in any way contesting or affecting any authority for the execution or delivery of the Series A Certificates or the validity or enforceability of the Trust Agreement or the Assignment Agreement;

(D) the Trustee is duly authorized to execute and deliver the Series A Certificates to the Underwriter upon instruction by the County pursuant to the terms of the Trust Agreement, and the Trust Agreement and the Assignment Agreement constitute legal, valid and binding obligations of the Trustee enforceable in accordance with its respective terms;

(E) to the best of its knowledge, the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under said documents or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is bound; and

(F) the Series A Certificates have been validly executed and delivered by the Trustee;

(vi) the opinion of counsel to the Trustee, addressed to the Underwriter and the County, dated the Closing Date, to the effect that:

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Trust Agreement and the Assignment Agreement and to accept the trust as provided therein, and to perform its obligations under the Trust Agreement and the Assignment Agreement;

(B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all proper corporate action has authorized the acceptance of the trust of the Trust Agreement;

(C) assuming the due authorization, execution and delivery by the other party to the Trust Agreement and the Assignment Agreement, the Trust Agreement and the Assignment Agreement, constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(D) the Series A Certificates have been validly executed by the Trustee; and

(E) to the best of such counsel's knowledge, no authorization, approval, consent or order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Trust Agreement and the Assignment Agreement by the Trustee or the authentication by the Trustee of the Series A Certificates;

(vii) a letter of Quint & Thimmig LLP, Larkspur, California, as disclosure counsel to the County, dated the Closing Date and addressed to the County and the Underwriter stating that based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of its date and as of the Closing Date, the Official Statement (excluding therefrom any information relating to BAM, the Municipal Bond Insurance Policy, DTC and its book-entry system included therein, and the information therein under the caption "UNDERWRITING" and the reports, financial and statistical data and forecasts therein, and the information included in the appendices thereto, as to which no opinion need be expressed) did not and does not contain any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) a copy of the Official Statement, executed on behalf of the County;

(ix) a copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Assignment Agreement;

(x) a copy of all resolutions relating to the Series A Certificates, the Official Statement and the Legal Documents adopted by the Corporation and the County, as applicable, and certified by an authorized official of the Corporation and the County;

(xi) a tax certificate by the County in form and substance acceptable to Special Counsel;

(xii) a copy of the Municipal Bond Insurance Policy;

(xiii) an opinion of counsel to BAM, addressed to the County and the Underwriter to the effect that:

(A) the descriptions of BAM and the Municipal Bond Insurance Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy constitutes the legal, valid and binding obligation of BAM, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the County or the Underwriter may reasonably request;

(xiv) a certificate of BAM, signed by an authorized officer of BAM, to the effect that:

(A) the information contained in the Official Statement relating to BAM and the Municipal Bond Insurance Policy is true and accurate and

(B) as to such other matters as the County or the Underwriter may reasonably request;

(xv) satisfactory evidence that the Series A Certificates have been assigned the rating of "___" from Standard & Poor's Ratings Services ("S&P") and that the Series A Certificates have been assigned the insured rating of "AA" from S&P; and

(xvi) such additional legal opinions, certificates, proceedings, instruments or other documents as Special Counsel and counsel to the Underwriter, if any, may reasonably request to evidence compliance by the Corporation and the County with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and warranties of the County contained herein, and the due performance or satisfaction by the Corporation and the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the County.

Section 7. Changes in Official Statement. After the Closing, the County will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Series A Certificates, the Trustee, the Corporation or the County shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the County will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light

of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The County shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with a nationally recognized municipal securities repository. For the purposes of this section the Trustee, the Corporation and the County will each furnish such information with respect to itself as the Underwriter may reasonably request from time to time during such period.

Section 8. **Expenses.** Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the County shall pay from the proceeds of the Series A Certificates or otherwise, all expenses and costs of the County and the Corporation incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Series A Certificates to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of Special Counsel and Disclosure Counsel and other professional advisors employed by the County or the Corporation, the fee of counsel to the Underwriter and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Series A Certificates. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Service Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Series A Certificates, shall be paid by the Underwriter.

Section 9. **Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Mr. Todd Smith, Senior Vice President, Hilltop Securities Inc., 2535 South Coast Highway 101, Suite 250, Cardiff by the Sea, CA 92007. Any notice or communication to be given to the County under this Purchase Agreement may be given by delivering the same in writing to the County's address set forth above, Attention: Mr. Robert Bendorf, County Administrator.

The approval of the Underwriter when required hereunder or the determination of the Underwriter's satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

Section 10. **Parties in Interest.** This Purchase Agreement is made solely for the benefit of the County and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the County in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment of the Series A Certificates.

Section 11. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. **Governing Law.** This Purchase Agreement shall be governed by the laws of the State of California.

HILLTOP SECURITIES INC., as
Underwriter

By _____
Jeffrey S. Harris
Senior Vice President

Accepted and Agreed to:

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

EXHIBIT A

MATURITY SCHEDULE

\$ _____
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)
Evidencing Direct, Undivided Fractional Interests of the
Owners Thereof in Series A Lease Payments to be Made by the
COUNTY OF YUBA
as the Rental for Certain Property
Pursuant to a Lease Agreement with the
County of Yuba Public Facilities Corporation

MATURITY SCHEDULE

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
2025				
2030				
2035				

REDEMPTION PROVISIONS

Extraordinary Redemption. The Series A Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the County, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Series A Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Optional Redemption. The Series A Certificates are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the County (or, if the County shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after November 1, ____, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Series A Lease Payments made by the County pursuant to the Lease Agreement.

Mandatory Redemption. The Series A Certificates maturing on November 1, 2025, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2018, to and including November 1, 2025, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025†	

†Maturity.

The Series A Certificates maturing on November 1, 2030, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2026, to and including November 1, 2030, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2026	
2027	
2028	
2029	
2030†	

†Maturity.

The Series A Certificates maturing on November 1, 2035, are subject to mandatory redemption in part on November 1 in each year on and after November 1, 2031, to and including November 1, 2035, from the principal components of scheduled Series A Lease Payments required to be paid by the County pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (November 1)	Principal Amount of Certificates to be Redeemed
2031	
2032	
2033	
2034	
2035†	

†Maturity.

Extraordinary Mandatory Redemption from Unexpended Proceeds of the Series A Certificates. The Series A Certificates or portions of the Series A Certificates, in multiples of \$5,000, are subject to extraordinary mandatory redemption within 90 days after the later of: (a) the third anniversary of the delivery date of the Series A Certificates; or (b) the Extension Period Expiration Date (as defined below), at par, plus accrued interest to the date of redemption, in a total amount equal to the unexpended Available Project Proceeds (as defined below) of the Series A Certificates plus such amount as shall be necessary to permit the Series A Certificates to be redeemed in multiples of \$5,000 within a single maturity, but only to the extent available proceeds of the Series A Certificates are not expended by the later of: (i) the third anniversary of the delivery date of the Series A Certificates; or (ii) the Extension Period Expiration Date.

“Extension Period Expiration Date” means the last day of any extension of time negotiated with the Internal Revenue Service (the “IRS”), as evidenced in writing from the IRS, that extends the date by which the proceeds of the Series A Certificates must be expended.

“Available Project Proceeds” means the sum of (i) the excess of the proceeds of sale of the Series A Certificates over Delivery Costs paid out of such proceeds (to the extent such costs do not exceed two percent of such proceeds), and (ii) any investment earnings on such excess.

Extraordinary Optional Redemption Due to an Extraordinary Event. The Series A Certificates are further subject to redemption prior to maturity at the option of the County upon the occurrence of an Extraordinary Event (defined below), from any source of available funds, as a whole or in part in multiples of \$5,000, on any date, at a redemption price equal to 100% of the principal amount of the Series

A Certificates to be redeemed plus the Make-Whole Premium (defined below), if any, together with accrued interest to the date fixed for redemption.

“Accountable Event of Loss of New Clean Renewal Energy Bond Status” means (a) any act or any failure to act on the part of the County, which act or failure to act is a breach of a covenant or agreement of the County contained in the County’s tax certificate with respect to the Series A Certificates (the “Tax Certificate”) or the Series A Certificates and which act or failure to act causes the Series A Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code, or (b) the making by the County of any representation contained in the Tax Certificate or the Lease Agreement, which representation was untrue when made and the untruth of which representation at such time causes the Series A Certificates to lose their status, or fail to qualify, as New Clean Renewal Energy Bonds within the meaning of and as defined in section 54C of the Code.

“Comparable Treasury Issue” means the United States Treasury security selected by the Designated Banking Institution (defined below) as having a maturity comparable to the remaining term to maturity of the Series A Certificate being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series A Certificate being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series A Certificate or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer (defined below) quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Designated Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Designated Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Designated Banking Institution, at 2:00 p.m. New York City time on a Business Day at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption.

“Comparable Treasury Yield” means the yield appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Designated Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series A Certificate being redeemed. The Comparable Treasury Yield will be determined at least two Business Days but no more than 45 calendar days preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series A Certificate being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series A Certificate being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series A Certificate being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward.

If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price as of the date fixed for redemption.

“Date of Loss of New Clean Renewal Energy Bond Status” means the date specified in the determination or holding referenced in item (a) or (b) under the definition of “Extraordinary Event,” as applicable, of the definition of “Extraordinary Event” as the date from and after which the Series A Certificates lost their status, or failed to qualify, as New Clean Renewal Energy Bonds as a result of an Accountable Event of Loss of New Clean Renewal Energy Bonds, which date could be as early as the date of initial issuance and delivery of the Series A Certificates.

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer with offices in the City of New York designated by the County (which may be the underwriter of the Series A Certificates).

“Extraordinary Event” means (a) a final determination by the Internal Revenue Service (after the County has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status; (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event Loss of New Clean Renewal Energy Bond Status has occurred and specifying the Date of Loss of New Clean Renewal Energy Bond Status (c) the enactment of legislation by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the County, would be to suspend, reduce or terminate the Subsidy Payment to be received pursuant to section 6431(f)(2) of the Code; or (d) if for any reason other than one attributable to the action or inaction of the County, (i) the United States Department of Treasury determines that the County is ineligible to receive all or part of the Federal Subsidy Payment payable with respect to the Series A Certificates or (ii) the United States Department of Treasury or agency of the United States of America at any time ceases to remit to the County all or any part of the Federal Subsidy Payment payable with respect to the Series A Certificates in accordance with the Code.

“Make-Whole Premium” means, with respect to any Series A Certificate to be redeemed, an amount calculated by a Designated Banking Institution equal to the positive difference, if any, between:

(1) The sum of the present values, calculated as of the date fixed for redemption of:

(a) Each interest payment that, but for the redemption, would have been payable on the Series A Certificate or portion thereof being redeemed on each regularly scheduled Interest Payment Date occurring after the date fixed for redemption through the maturity date of such Series A Certificate (excluding any accrued interest for the period prior to the date fixed for redemption); provided, that if the date fixed for redemption is not a regularly scheduled Interest Payment Date with respect to such Series A Certificate, the amount of the next regularly scheduled interest payment will be reduced by the amount of interest accrued on such Series A Certificate to the date fixed for redemption; plus

(b) The principal amount that, but for such redemption, would have been payable on the maturity date of the Series A Certificate or portion thereof being redeemed; minus

(2) The principal amount of the Series A Certificate or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (1) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate not less than the Comparable Treasury Yield, plus the Spread.

“Reference Treasury Dealer” means a primary United States Government securities dealer in the City of New York appointed by the County and reasonably acceptable to the Designated Banking Institution (which may be the underwriter of the Series A Certificates).

“Spread” means 1.00%.

“Subsidy Payment” means the refundable tax credit direct payment subsidies from the United States Treasury to or upon the order of the County pursuant to section 6431 of the Code with respect to the Series A Certificates.

LEASE AGREEMENT

Dated as of November 1, 2015

by and between the

COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, as Lessor

and the

COUNTY OF YUBA, as Lessee

Taxable Certificates of Participation, Series A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)

Taxable Certificates of Participation, Series B
(2015 Clean Renewable Energy Project)

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DEFINITIONS AND EXHIBITS	
Section 1.1. Definitions	2
Section 1.2. Interpretation	2
Section 1.3. Exhibits	2
ARTICLE II	
REPRESENTATIONS, COVENANTS AND WARRANTIES	
Section 2.1. Representations, Covenants and Warranties of the County	3
Section 2.2. Representations, Covenants and Warranties of Corporation	3
ARTICLE III	
DEPOSIT OF MONEYS	
Section 3.1. Deposit of Moneys	5
Section 3.2. Payment of Project Costs	5
Section 3.3. Payment of Delivery Costs	5
ARTICLE IV	
AGREEMENT TO LEASE; TERM OF THIS LEASE AGREEMENT; LEASE PAYMENTS	
Section 4.1. Lease	6
Section 4.2. Term of Agreement	6
Section 4.3. Possession	6
Section 4.4. Lease Payments	6
Section 4.5. Quiet Enjoyment	8
Section 4.6. Title	8
Section 4.7. Additional Payments	8
ARTICLE V	
MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS; AND OTHER MATTERS	
Section 5.1. Maintenance, Utilities, Taxes and Assessments	10
Section 5.2. Modification of Property	10
Section 5.3. Public Liability and Property Damage Insurance	11
Section 5.4. Fire and Extended Coverage Insurance; No Earthquake Insurance	11
Section 5.5. Rental Interruption Insurance	11
Section 5.6. Title Insurance	12
Section 5.7. Insurance Net Proceeds; Form of Policies	12
Section 5.8. Advances	12
Section 5.9. Installation of County's Equipment	12
Section 5.10. Liens	13
Section 5.11. Tax Covenants	13
Section 5.12. Environmental Covenants	15
ARTICLE VI	
DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS	
Section 6.1. Eminent Domain	16
Section 6.2. Application of Net Proceeds	16
Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction	16
ARTICLE VII	
DISCLAIMER OF WARRANTIES; ACCESS; INDEMNIFICATION	
Section 7.1. Disclaimer of Warranties	18

Section 7.2. Access to the Property	18
Section 7.3. Release and Indemnification Covenants.....	18

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1. Assignment by the Corporation.....	19
Section 8.2. Assignment and Subleasing by the County	19
Section 8.3. Amendment of Lease Agreement	19

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined	24
Section 9.2. Remedies on Default.....	24
Section 9.3. No Remedy Exclusive.....	26
Section 9.4. Agreement to Pay Attorneys' Fees and Expenses	26
Section 9.5. No Additional Waiver Implied by One Waiver	26
Section 9.6. Application of Proceeds	26
Section 9.7. Trustee and Certificate Owners to Exercise Rights	26
Section 9.8. No Right to Terminate for Corporation Default.....	26

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS

Section 10.1. Security Deposit	27
Section 10.2. Prepayment Option.....	27
Section 10.3. Extraordinary Mandatory Prepayment from Unexpended Proceeds of the Series A Certificate	28
Section 10.4. Extraordinary Optional Prepayment Due to an Extraordinary Event	28
Section 10.5. Mandatory Prepayment From Net Proceeds of Insurance, Title Insurance or Eminent Domain	28
Section 10.6. Credit for Amounts on Deposit.....	28

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices	29
Section 11.2. Information to be Given to BAM	29
Section 11.3. BAM as Third Party Beneficiary	30
Section 11.4. Binding Effect.....	30
Section 11.5. Severability	31
Section 11.6. Net-net-net Lease	31
Section 11.7. Further Assurances and Corrective Instruments	31
Section 11.8. Execution in Counterparts	31
Section 11.9. Applicable Law.....	31
Section 11.10. Corporation and County Representatives.....	31
Section 11.11. Captions.....	31

EXHIBIT A:	DESCRIPTION OF THE SITE
EXHIBIT B:	DESCRIPTION OF THE FACILITY
EXHIBIT C:	SCHEDULE OF SERIES A LEASE PAYMENTS
EXHIBIT D:	SCHEDULE OF SERIES B LEASE PAYMENTS
EXHIBIT E:	SCHEDULE OF TOTAL LEASE PAYMENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease Agreement"), dated for convenience as of November 1, 2015, by and between the COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the COUNTY OF YUBA, a political subdivision, duly organized and existing under and by virtue of the laws of the State of California, as lessee (the "County");

WITNESSETH:

WHEREAS, pursuant to that certain Site and Facility Lease, dated as of November 1, 2015 (the "Site and Facility Lease"), the County has leased those certain parcels of real property situated in Yuba County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility"), and, with the Site, the "Property"), to the Corporation, all for the purpose of enabling the County to finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the "Project").

WHEREAS, the Corporation proposes to lease the Property to the County pursuant to this Lease Agreement and to assign its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the County, to U.S. Bank National Association, as trustee (the "Trustee"), pursuant to that certain Assignment Agreement, dated as of November 1, 2015, by and between the Corporation and the Trustee;

WHEREAS, pursuant to that certain Trust Agreement, dated as of November 1, 2015, by and among the County, the Corporation and the Trustee, the Trustee will execute and deliver certificates of participation, each evidencing a direct, fractional interest in a portion of the Lease Payments (the "Series A Certificates"), and (b) certificates of participation, each evidencing a direct, fractional interest in a portion of the Lease Payments (the "Series B Certificates" and, with the Series A Certificates, the "Certificates"); and

WHEREAS, the proceeds of the Certificates will be applied by the County to (a) finance the Project, (b) fund capitalized interest with respect to the Certificates through November 1, 2016, and (c) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates;

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

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease Agreement shall have the respective meanings specified in Section 1.01 of the Trust Agreement, dated as of November 1, 2015, by and among the County, the Corporation and the Trustee.

Section 1.2. Interpretation.

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

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

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

Section 1.3. Exhibits. The following exhibits are attached to, and by this reference made a part of, this Lease Agreement:

Exhibit A: The description of the Site.

Exhibit B: The description of the Facility.

Exhibit C: The schedule of the Series A Lease Payments to be paid by the County hereunder with respect to the Property, showing the Lease Payment Date and amount of each such Series A Lease Payment.

Exhibit D: The schedule of the Series B Lease Payments to be paid by the County hereunder with respect to the Property, showing the Lease Payment Date and amount of each such Series B Lease Payment.

Exhibit E: The schedule of the total Series A Lease Payments and Series B Lease Payments to be paid by the County hereunder with respect to the Property, showing the Lease Payment Date and amount of each such total Lease Payment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the County. The County represents, covenants and warrants to the Corporation and BAM as follows:

(a) *Due Organization and Existence.* The County is a political subdivision, duly organized and existing under and by virtue of the laws of the State.

(b) *Authorization.* The laws of the State authorize the County to enter into the Site and Facility Lease, this Lease Agreement and the Trust Agreement and to enter into the transactions contemplated by and to carry out the County's obligations under all of the aforesaid agreements. The County has duly authorized and executed all of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the County, enforceable against the County in accordance with their respective terms.

(c) *No Violations.* Neither the execution and delivery of the Site and Facility Lease, this Lease Agreement or the Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction, agreement or instrument to which the County is now a party or by which the County is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the County, or upon the Property, except Permitted Encumbrances.

(d) *Execution and Delivery.* The County has duly authorized and executed this Lease Agreement in accordance with all applicable laws.

Section 2.2. Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants to the County and BAM as follows:

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

(b) *No Encumbrances.* The Corporation will not pledge the Lease Payments or other amounts derived from the Property and from its other rights under this Lease Agreement and will not mortgage or encumber the Property, except as provided under the terms of this Lease Agreement and the Trust Agreement.

(c) *No Violations.* Neither the execution and delivery of the Site and Facility Lease, this Lease Agreement, the Assignment Agreement or the Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance

whatsoever upon any of the property or assets of the Corporation, or upon the Property, except Permitted Encumbrances.

(d) *No Assignments*. Except as provided herein and the Assignment Agreement, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the County or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Hazardous Substances*. The Property is free of all Hazardous Substances, and the County is in full compliance with all Applicable Environmental Laws.

(f) *Flooding Risk*. The Property is not located in a 100-year flood zone and has never been subject to material damage from flooding.

(g) *Execution and Delivery*. The Corporation has duly authorized and executed this Lease Agreement in accordance with all applicable laws.

ARTICLE III

DEPOSIT OF MONEYS

Section 3.1. Deposit of Moneys. On the Closing Date, the Corporation shall cause to be deposited with the Trustee the net proceeds of sale of the Certificates, net of the amounts paid by the Underwriter to BAM as an accommodation to the County for the premium relating to the Municipal Bond Insurance Policy. Amounts required to pay Delivery Costs shall be deposited in the Delivery Costs Fund and the amount estimated to be required to pay Project Costs shall be deposited in the Project Fund.

Section 3.2. Payment of Project Costs. Payment of Project Costs shall be made from the moneys deposited in the Project Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.02 of the Trust Agreement.

Section 3.3. Payment of Delivery Costs. Payment of Delivery Costs shall be made from the moneys deposited in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.03 of the Trust Agreement.

ARTICLE IV

AGREEMENT TO LEASE; TERM OF THIS LEASE AGREEMENT; LEASE PAYMENTS

Section 4.1. Lease.

(a) the Corporation hereby leases the Property to the County, and the County hereby leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the County to the Corporation pursuant to the Site and Facility Lease shall not affect or result in a merger of the County's leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site and Facility Lease.

Section 4.2. Term of Agreement. The Term of the Lease Agreement shall commence on the Closing Date, and shall end on November 1, 2035, unless such term is extended as hereinafter provided. If, on November 1, 2035, the Trust Agreement shall not be discharged by its terms or if the Lease Payments or Additional Payments, if any, payable hereunder shall have been abated at any time and for any reason, then the Term of the Lease Agreement shall be extended without the need to execute any amendment to this Section 4.2 until there has been deposited with the Trustee an amount sufficient to pay all obligations due under this Lease Agreement, but in no event shall the Term of the Lease Agreement extend beyond November 1, 2045. If, prior to November 1, 2035, the Trust Agreement shall be discharged by its terms, the Term of the Lease Agreement shall thereupon end.

Notwithstanding the foregoing, the Term of the Lease Agreement shall not end so long as any amounts are owed to BAM with respect to the Municipal Bond Insurance Policy.

Section 4.3. Possession. The County hereby agrees to accept and take possession of the Property on or prior to the date of recordation of this Lease Agreement.

Section 4.4. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of Articles VI and X hereof, the County agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Property during each Rental Period, the Series A Lease Payments and the Series B Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibits D and E hereto (with the total of the Series A Lease Payments and the Series B Lease Payments shown in Exhibit F hereto), to be due and payable on the respective Lease Payment Dates specified in Exhibits D and E hereto. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof and other than amounts required for payment of Certificates not yet surrendered) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid. The Lease Payments for the Property payable in any Rental Period shall be for the use of the Property for such Rental Period.

(b) *Effect of Prepayment.* In the event that the County prepays all remaining Lease Payments and all Additional Payments due under Section 4.7 hereof in full pursuant to Article X hereof, subject to Section 4.2 hereof, the County's obligations under this Lease Agreement shall thereupon cease and terminate including, but not limited to, the County's obligation to pay Lease Payments under this Section 4.4; subject however, to the provisions of Section 10.1

hereof in the case of prepayment by application of a security deposit. In the event that the County optionally prepays the Lease Payments in part but not in whole pursuant to Section 10.2 hereof or pursuant to Section 10.3 hereof as a result of any insurance or condemnation award with respect to any portion of the Property, such prepayment shall be credited entirely towards the prepayment of the Lease Payments as follows: (i) the principal components of each remaining Lease Payment shall be reduced in such order as shall be selected by the County in integral multiples of \$5,000; and (ii) the interest component of each remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates thereby redeemed pursuant to Sections 4.01(a) or (b), as the case may be, of the Trust Agreement.

(c) *Rate on Overdue Payments.* In the event the County should fail to make any of the payments required in this Section 4.4, the payment in default shall continue as an obligation of the County until the amount in default shall have been fully paid and the County agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate per annum payable with respect to the Certificates. Such interest, if received, shall be deposited in the Lease Payment Fund.

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

(e) *Source of Payments; Budget and Appropriation.*

(i) The Lease Payments and Additional Payments shall be payable from any source of available funds of the County, subject to the provisions of Section 6.3. The County covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due hereunder in each of its budgets during the Term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Additional Payments. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such official to enable the County to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the County. During the Term of the Lease Agreement, the County shall furnish to the Corporation and the Trustee, no later than ten days following the adoption of a budget for the current Fiscal Year, a certificate stating that the Lease Payments and Additional Payments due in that Fiscal Year have been included in the budget approved by the Board for such Fiscal Year.

(ii) Once the Lease Payments and Additional Payments are no longer subject to abatement pursuant to Section 6.3 of this Lease Agreement, the terms and provisions of Section 4.4(e)(i) above shall control and the County shall be obligated in accordance with such Section 4.4(e)(i) to pay to BAM all Reinstatement Amounts,

(f) *Assignment.* The County understands and agrees that all Lease Payments and rights and remedies hereunder have been assigned by the Corporation to the Trustee in trust, pursuant to the Assignment Agreement, for the benefit of the Owners of the Certificates, and

the County hereby assents to such assignment. The Corporation hereby directs the County, and the County hereby agrees to pay to the Trustee at the Principal Corporate Trust Office, all payments payable by the County pursuant to this Section 4.4 and all amounts payable by the County pursuant to Article X hereof.

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

Section 4.6. Title. During the Term of the Lease Agreement, the Corporation shall hold leasehold title to the Property and the County shall hold fee title to those portions of the Property which are newly acquired or constructed and any and all additions which comprise fixtures, repairs, replacements or modifications to the Property, except for those fixtures, repairs, replacements or modifications which are added to the Property by the County at its own expense and which may be removed without damaging the Property and except for any items added to the Property by the County pursuant to Section 5.9 hereof.

If the County prepays the Lease Payments in full pursuant to Article X hereof or makes the security deposit permitted by Section 10.1 hereof, or pays all Lease Payments during the Term of the Lease Agreement as the same become due and payable, subject to Section 4.2 hereof, and pays Additional Payments, if any, all right, title and interest of the Corporation in and to the Property shall be terminated. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the County to consummate any such transfer of title.

Section 4.7. Additional Payments. In addition to the Lease Payments, the County shall pay when due the following Additional Payments:

(a) Any fees and expenses incurred by the County in connection with or by reason of its leasehold estate in the Property as and when the same become due and payable.

(b) Any amounts due to the Trustee pursuant to the Trust Agreement for all services rendered under the Trust Agreement and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Trust Agreement.

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

(d) Any reasonable out-of-pocket expenses of the County in connection with the execution and delivery of this Lease Agreement or the Trust Agreement, or in connection with the execution and delivery of the Certificates, including any and all expenses incurred in connection with the authorization, execution, sale and delivery of the Certificates, or incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Trust Agreement, the Certificates or any of the other documents contemplated hereby or thereby, or incurred by the Corporation in connection with

the Continuing Disclosure Certificate, or otherwise incurred in connection with the administration thereof.

(e) Any amounts owed to BAM with respect to the Municipal Bond Insurance Policy including, without limitation, any amounts owed to BAM pursuant to Sections 5.05 and/or 13.07 of the Trust Agreement. The County's obligation to pay such amounts shall expressly survive payment in full of the Certificates.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS;
AND OTHER MATTERS

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

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

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or BAM shall notify the County that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Corporation and BAM with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The County shall provide the Corporation and BAM with written notice of any such contest and shall provide such updates on the contest as the Corporation or BAM may reasonably request.

Section 5.2. Modification of Property. The County shall, at its own expense, have the right to remodel the Property or to make additions, modifications and improvements to the Property. All additions, modifications and improvements to the Property shall thereafter comprise part of the Property and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause the Property to be used for purposes other than those authorized under the provisions of State and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto pursuant to this Section 5.2, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. The County will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the County pursuant to this Section 5.2; provided that if any such lien is established and the County shall first notify the Corporation of the County's intention to do so, the County may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal

therefrom and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the County.

Section 5.3. Public Liability and Property Damage Insurance. The County shall maintain or cause to be maintained, throughout the Term of the Lease Agreement, insurance policies, including a standard comprehensive general insurance policy or policies in protection of the Corporation, the County, the Trustee and BAM and their respective members, officers, agents and employees. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the County, and may be maintained through a joint exercise of powers authority created for such purpose or, with the prior written consent of BAM, in the form of self-insurance by the County. Said policy or policies shall provide for indemnification of said parties against direct or consequential loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$1,895,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$1,895,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the County and may be maintained in the form of insurance maintained through a joint exercise of powers authority created for such purpose or, with the prior written consent of BAM, in the form of self-insurance by the County. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid..

Section 5.4. Fire and Extended Coverage Insurance; No Earthquake Insurance. The County shall maintain, or cause to be maintained throughout the Term of the Lease Agreement, insurance against loss or damage to any part of the Property constituting structures, by fire and lightning, with extended coverage and vandalism and malicious mischief insurance; *provided, however,* that the County shall not be required to maintain earthquake insurance with respect to the Property. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to one hundred percent (100%) of the replacement cost of such portion of the Property, if any. Such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried by the County and, with the prior written consent of BAM, may be maintained in whole or in part in the form of insurance maintained through a joint exercise of powers authority created for such purpose. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a) hereof. The County may not satisfy the requirements of this Section 5.4 for fire and extended coverage insurance with self-insurance except with the prior written consent of BAM.

Section 5.5. Rental Interruption Insurance. The County shall maintain, or cause to be maintained, throughout the Term of the Lease Agreement rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any part of the Property during the Term of the Lease Agreement as a result of any of the hazards covered in the insurance required by Section 5.4 hereof, if any, in an amount at least equal to two times maximum annual Lease Payments. The Net Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund and shall be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable. Such insurance may be

maintained as part of or in conjunction with any other insurance carried by the County and may, with the prior written consent of BAM, be maintained in whole or in part in the form of insurance maintained through a nonprofit, public benefit corporation created for such purpose.

Section 5.6. Title Insurance.

(a) The County shall provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date, an CLTA title insurance policy in the amount of not less than the principal amount of the Certificates, insuring the Corporation's leasehold interest in the Property and the County's subleasehold estate in the Property, subject only to Permitted Encumbrances.

(b) The Net Proceeds of such title insurance shall be applied as provided in Section 6.2(c) hereof.

Section 5.7. Insurance Net Proceeds; Form of Policies. Each policy or other evidence of insurance required by Sections 5.3, 5.4, 5.5 and 5.6 hereof shall provide that all proceeds thereunder shall be payable to the Trustee as and to the extent required hereunder, shall name the Trustee and BAM as additional insureds and shall be applied as provided in Section 6.2 hereof. Insurance must be provided by an insurer rated "A" or better by S&P or A.M. Best Company, unless waived by BAM. The County shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All policies evidencing required insurance shall provide thirty (30) days' prior written notice to the Corporation, the County, the Trustee and BAM of any cancellation, reduction in amount or material change in coverage. The Trustee shall not be responsible for the sufficiency of any insurance herein required, including any forms of self-insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The County shall cause to be delivered annually on or before each June 1 to the Trustee and BAM a certification, signed by a County Representative, stating compliance with the provisions of Sections 5.3 and 5.4 of this Lease Agreement. The Trustee shall be entitled to rely on such certification without independent investigation. The County shall have the adequacy of any insurance reserves maintained by the County or by a joint exercise of powers authority, if applicable, for purposes of the insurance required by Section 5.3 and 5.4 hereof reviewed at least annually, on or before each June 1, by an independent insurance consultant and shall maintain reserves in accordance with the recommendations of such consultant to the extent moneys are available for such purpose and not otherwise appropriated.

Section 5.8. Advances. If the County shall fail to perform any of its obligations under this Article V, the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the County shall be obligated to repay all such advances as soon as possible, with interest at a rate equal to the rate then payable with respect to the Certificates from the date of the advance to the date of repayment.

Section 5.9. Installation of County's Equipment. The County may, at any time and from time to time in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon any portion of the Property. All such items shall remain the sole property of the County in which neither the Corporation nor the Trustee shall have any interest and may be modified or removed by the County at any time provided that the County shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the County from purchasing or leasing items to be installed pursuant to this Section 5.9 under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement,

as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 5.10. Liens. The County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than the respective rights of the Corporation and the County as provided herein and Permitted Encumbrances. Except as expressly provided in this Article V, the County shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The County shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Tax Covenants.

(a) *Direct Subsidy*. The direct subsidy amount to be paid to the County by the federal government is equal to ___ percent (which is seventy percent of ___ percent, the credit rate as published on the Internet site for New Clean Renewable Energy Bonds (www.treasurydirect.gov) on November 5, 2015, the first date on which there was a binding, written contract for the sale or exchange of the Series A Certificates) times the outstanding principal amount of the Series A Certificates. The maximum maturity of the Series A Certificates is ___ years, which is not greater than the term published for obligations issued during the month of October, 2015. The County expects to enter into a filing agent agreement (related to necessary filings in order to obtain the Subsidy Payments) with U.S. Bank National Association, acting as "filing agent" thereunder. The terms and provisions of any such agreement shall in no way alter the obligations and duties of the County hereunder or the County or the Trustee under the Trust Agreement, and in the event of any conflict between the provisions of any such agreement and the provisions of the Trust Agreement or this Lease Agreement, the provisions of this Lease Agreement shall prevail.

(b) *Qualified Issuer*. The County is, and will remain until the Series A Certificates is paid in full, a "governmental body" as defined in section 54AC(d) of the Code.

(c) *The Project*. The Project qualifies as one or more Qualified Purposes and as a qualified renewable energy facility as defined in section 54C of the Code. The County will own and operate the Project for the entire term of the Series A Certificates and the County acknowledges that if property financed with proceeds of the Series A Certificates is not so operated, such operation may constitute a "deliberate action" within the meaning of the Regulations promulgated under section 142 of the Code that may require a remedial action to continue to obtain the direct subsidy amount. The Project is identical to the facilities described in the Application for National New Clean Renewable Energy Bond Volume Cap submitted to the Internal Revenue Service by the County in support of the national new clean renewable energy bond volume cap received by the County. To the extent the Project has been built, or is to be built, on land or other property of any kind that is leased from a third party, either (i) the term of the lease is longer than the economic life of the Project and the Project will have a zero or negative value at the end of the lease term or (ii) the County will completely remove the Project or the portion of the Project from the lease site at the end of the lease term. No credit under section 45K of the Code has been or will be allowed with respect to production at the Project.

The County has incurred or will, within six months of the Closing Date, incur a substantial binding obligation (not subject to contingencies within the control of the County) to a third party to expend at least ten percent of the Available Project Proceeds of the Project. It is expected that the work of acquiring and constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through

_____, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent. To the extent that less than one hundred percent of the Available Project Proceeds of the Series A Certificates are expended on the Project by the last day of the Expenditure Period, the County shall redeem the portion of the Series A Certificates representing all of the nonqualified bonds (as determined pursuant to section 142 of the Code) within ninety days of the end of the Expenditure Period. The County will not be required to redeem the portion of the Series A Certificates representing all of the nonqualified bonds within ninety days of the last day of the three-year period from the Closing Date if the County receives an extension of the period in which it can expend Available Project Proceeds from the Secretary of the Treasury pursuant to section 54A(d)(2)(B) of the Code but shall instead redeem a portion of the Series A Certificates within ninety days of the last day of the Expenditure Period (as extended by the Secretary of the Treasury).

(d) *125% Test.* The term of the Series A Certificates is not longer than is reasonably necessary for the governmental purposes of the Series A Certificates because the average reasonably expected economic life of the Project is at least ____ years. The weighted average maturity of the Series A Certificates does not exceed 120 percent of the average reasonably expected economic life of the Project.

(e) *The 100 Percent Test.* One hundred percent of the Available Project Proceeds of the Series A Certificates, including investment earnings thereon, will be used by the County to pay for Qualified Purposes with respect to the Project within the Expenditure Period. No portion of the proceeds of the Series A Certificates, including investment earnings, will be used to pay principal or interest on any obligation (other than proceeds of the Series A Certificates that may be used to pay interest on the Series A Certificates prior to the Placed-in-Service date of the Project) or commingled with any other revenues of the County. As set forth in Section 10.3 hereof, the County will redeem a portion of the Series A Certificates to the extent that less than 100 percent of the Available Project Proceeds of the Series A Certificates are expended by the last day of the Expenditure Period. The portion of the Series A Certificates to be redeemed within ninety days of the end of such Expenditure Period will be determined in the same manner as under section 142 of the Code.

(f) *Final Allocation of Proceeds.* The County may generally use any reasonable, consistently applied accounting method to account for gross proceeds of the Series A Certificates, investments thereon, and expenditures. The County must account for the final allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the property with respect to which the expenditure is made is Placed in Service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date of the Series A Certificates or the date 60 days after the retirement of the Series A Certificates, if earlier.

Reasonable accounting methods for allocating funds include any of the following methods if consistently applied: a specific tracing method; a gross proceeds spent first method; a first in, first out method, or a ratable allocation method. The County may also reallocate proceeds of the Series A Certificates from one expenditure to another until the end of the period for final allocation, discussed above. Unless the County has taken an action to use a different allocation method by the end of the period for a final allocation, proceeds of the Series A Certificates will be treated as allocated to expenditures using the specific tracing method.

(g) *National New Clean Renewable Bond Volume Cap.* An allocation of the national new clean renewable energy volume cap from the Secretary of the Treasury has been obtained for the Project in an aggregate amount of \$5,485,000. The County has approved the execution and delivery of the Series A Certificates and hereby designates the Series A Certificates as "New Clean Renewable Energy Bonds" for purposes of section 54C of the Code.

(h) *Wage and Labor Standards Requirements.* The County acknowledges that Subchapter IV of Chapter 31 of Title 40 of the United States Code applies to the Project. The County represents and warrants that it will comply with the requirements imposed under Subchapter IV of Chapter 31 of Title 40 of the United States Code with respect to the Project. The County expressly acknowledges that such requirements generally provide that the County must comply with federal prevailing wage laws for certain classes of laborers and must comply with certain notification and specification requirements in construction contracts.

(i) *Election to Treat Series A Certificates as Qualified Bonds.* The County hereby irrevocably elects to have subsection (f) of section 6341 of the Code apply to the Series A Certificates. The County acknowledges that, as a consequence of this election, the Owners will not be entitled to a tax credit as a result of ownership of the Series A Certificates for purposes of section 6431 of the Code.

(j) *I.R.S. Form 8038-CP.* The County acknowledges that, in order to receive the direct subsidy amounts with respect to the Series A Certificates under section 6431 of the Code, it must, among other requirements, periodically file appropriate returns, now designated Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds*, in accordance with the instructions to such return and in accordance with any provided guidance.

Section 5.12. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances.* The County will comply with all Applicable Environmental Laws with respect to the Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Property.

(b) *Notification of Assignee.* The County will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Trustee and to BAM, and the County will notify the Trustee and BAM in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Trustee or BAM.

(c) *Access for Inspection.* The County will permit the Trustee and BAM, their agents, or any experts designated by the Trustee or BAM to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Trustee and BAM have no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF
NET PROCEEDSSection 6.1. Eminent Domain.

(a) If all of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the County and the Corporation, and so certified to by the parties to the Trustee, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property, except to the extent of special funds, if any, available for the payment of Lease Payments.

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

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award.* The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property constituting structures, if any, by fire or other casualty shall be paid by the County to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund held by the Trustee and applied as set forth in Section 6.01 of the Trust Agreement.

(b) *From Eminent Domain Award.* The Net Proceeds of any eminent domain award resulting from any event described in Section 6.1 hereof shall be paid by the County to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 6.02 of the Trust Agreement.

(c) *From Title Insurance.* The Net Proceeds of any title insurance award shall be paid to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 6.03 of the Trust Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the County of the Property or

any portion thereof (other than any portions of the Property described in Section 5.2 hereof) to the extent to be agreed upon by the County and the Corporation and communicated by a County Representative to the Trustee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibits D, E and F, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed (giving due consideration to the factors identified in the last sentence of Section 4.4(d)), based upon any appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as communicated by a County Representative to the Trustee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the County waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments. If an abatement event has occurred but remedied, the County shall be required to extend the Term of this Lease Agreement, as described in Section 4.2, so that amounts abated are recouped.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS; INDEMNIFICATION

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY. IN NO EVENT SHALL THE CORPORATION OR ITS ASSIGNS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE SITE AND FACILITY LEASE, THIS LEASE AGREEMENT OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE CITY'S USE OF THE PROPERTY.

Section 7.2. Access to the Property. The County agrees that the Corporation and any County Representative, and the Corporation's successors or assigns, and BAM, shall have the right at all reasonable times to enter upon and to examine and inspect the Property. The County further agrees that the Corporation, any County Representative, and the Corporation's successors or assigns, and BAM, shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the County to perform its obligations hereunder.

Section 7.3. Release and Indemnification Covenants. The County shall and hereby agrees to indemnify and save the Corporation and the Trustee and their officers, agents, directors, employees, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Property by the County, (ii) any breach or default on the part of the County in the performance of any of its obligations under this Lease Agreement or the Trust Agreement, (iii) any act or omission of the County or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (iv) any act or omission of any sublessee of the County with respect to the Property, (v) the authorization of payment of Project Costs, (vi) the authorization of payment of the Delivery Costs, (vii) the clean-up of any Hazardous Substances or toxic wastes from the Property, or (viii) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. Such indemnification shall include the costs and expenses of defending any claim or liability arising under this Lease Agreement or the Trust Agreement and the transactions contemplated thereby. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct, negligence or breach of duty under this Lease Agreement by the Corporation, its officers, agents, directors, employees, successors or assigns.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1. Assignment by the Corporation. The Corporation's rights under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the County under this Lease Agreement (but except for its rights to give consents and approvals hereunder), have been assigned to the Trustee pursuant to the Assignment Agreement.

Section 8.2. Assignment and Subleasing by the County. This Lease Agreement may not be assigned by the County. The County may sublease the Property or any portion thereof, but only with the written consent of the Corporation and BAM and subject to, and delivery to the Corporation of a certificate as to, all of the following conditions:

(a) This Lease Agreement and the obligation of the County to make Lease Payments hereunder shall remain obligations of the County;

(b) The County shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation, the Trustee and BAM a true and complete copy of such sublease;

(c) No such sublease by the County shall cause the Property to be used for a purpose other than as may be authorized under the provisions of the Constitution and laws of the State; and

(d) The County shall furnish the Corporation, the Trustee and BAM with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such sublease does not cause the interest components of the Lease Payments to become subject to State personal income taxes.

Notwithstanding the foregoing, the County may sublease the Property to the Corporation in connection with a future certificates of participation or lease revenue bond financing without the necessity to comply with any of the foregoing conditions, so long as the total of the unpaid principal component of the Lease Payments and the principal component of the lease payments to be paid with respect to such future certificates of participation or lease revenue bond financing does not exceed the value of the Property.

Section 8.3. Amendment of Lease Agreement.

(a) *Substitution of Site or Facility.* The County shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") and/or a substitute facility (a "Substitute Facility") for the Site (the "Former Site"), or a portion thereof, and/or the Facility (the "Former Facility"), or a portion thereof, provided that the County shall satisfy all of the following requirements (to the extent applicable) which are hereby declared to be conditions precedent to such substitution:

(i) If a substitution of the Site, the County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(ii) If a substitution of the Site, the County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to this Lease Agreement which adds thereto a

description of such Substitute Site and deletes therefrom the description of the Former Site;

(iii) If a substitution of the Facility, the County shall file with the Corporation, the Trustee and BAM an amended Exhibit B to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(iv) If a substitution of the Facility, the County shall file with the Corporation, the Trustee and BAM an amended Exhibit B to this Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(v) The County shall certify in writing to the Corporation, the Trustee and BAM that such Substitute Site and/or Substitute Facility serve the purposes of the County, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the County is permitted to lease under the laws of the State;

(vi) The County delivers to the Trustee, the Corporation and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Substitute Site and/or Substitute Facility;

(vii) If with respect to the substitution of the Site, the County shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(viii) The Substitute Site and/or Substitute Facility shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(ix) The County shall certify that the Substitute Site and/or the Substitute Facility is of the same or greater essentiality to the County as was the Former Site and/or the Former Facility;

(x) The County shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation;

(xi) The County shall furnish the Corporation, the Trustee and BAM with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to State personal income taxes; and

(xiii) BAM shall provide written consent to such substitution.

(b) *Release of Site.* The County shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the County shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to this Lease Agreement which describes the Site, as revised by such release;

(iii) The County delivers to the Trustee, the Corporation and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Site, as revised by such release, is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Site, as revised by such release;

(iv) Such release shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(v) The County shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation; and

(vi) BAM shall provide written consent to such release.

(c) *Release of Facility.* The County shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facility, provided that the County shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to this Lease Agreement which describes the Site, as revised by such release;

(iii) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit B to the Site and Facility Lease which describes the Facility, as revised by such release;

(iv) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit B to this Lease Agreement which describes the Facility, as revised by such release;

(v) The County delivers to the Corporation, the Trustee and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Facility, as revised by such release;

(vi) Such release shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee; and

(vii) The County shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation.

(d) Notwithstanding the foregoing, the County hereby agrees that, upon the completion of the County's new Sheriff's facility, to be located at _____ (the "New Sheriff's Facility"), it will substitute the Site and the Facility for the New Sheriff's Facility and the site thereof (the "New Sheriff's Facility Site"), shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(i) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to the Site and Facility Lease which adds thereto a description of the New Sheriff's Facility Site and deletes therefrom the description of the Former Site;

(ii) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit A to this Lease Agreement which adds thereto a description of the New Sheriff's Facility Site and deletes therefrom the description of the Former Site;

(iii) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit B to the Site and Facility Lease which adds thereto a description of the New Sheriff's Facility and deletes therefrom the description of the Former Facility;

(iv) The County shall file with the Corporation, the Trustee and BAM an amended Exhibit B to this Lease Agreement which adds thereto a description of the New Sheriff's Facility and deletes therefrom the description of the Former Facility;

(v) The County shall certify in writing to the Corporation, the Trustee and BAM that the New Sheriff's Facility serves the purposes of the County, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the County is permitted to lease under the laws of the State;

(vi) The County delivers to the Trustee, the Corporation and BAM evidence (which may be insurance values or any other reasonable basis of valuation and need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the then Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the New Sheriff's Facility;

(vii) The County shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which adds thereto a description of the New Sheriff's Facility Site and deletes therefrom the description of the Former Site;

(viii) The New Sheriff's Facility shall not cause the County to violate any of its covenants, representations and warranties made herein and in the Trust Agreement;

(ix) The County shall certify that the New Sheriff's Facility is of the same or greater essentiality to the County as was the Former Site and the Former Facility;

(x) The County shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the County or the Corporation; and

(xi) The County shall furnish the Corporation, the Trustee and BAM with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to State personal income taxes.

(e) *Generally*. The Corporation and the County may at any time amend or modify any of the provisions of this Lease Agreement, but only (i) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates and BAM, or (ii) without the consent of any of the Owners, but with the prior written consent of BAM, but only if such amendment or modification is for any one or more of the following purposes:

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

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

(iii) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Certificates under the Code, in the opinion of Bond Counsel.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. The following shall be “events of default” under this Lease Agreement and the terms “Events of Default” and “Default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) Failure by the County to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.

(b) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement (including failure to request appropriation pursuant to Section 4.4(d) hereof) or under the Trust Agreement, other than as referred to in clause (a) of this Section 9.1, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Corporation, the Trustee, BAM or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; *provided, however*, if the failure stated in the notice can be corrected, but not within the applicable period, the Corporation, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected; *provided further, however*, that no grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of BAM.

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

Section 9.2. Remedies on Default. So long as BAM is not in default under the Municipal Bond Insurance Policy, BAM shall have the right to control all remedies for default under both this Lease Agreement and the Trust Agreement. The Trustee shall have the right to re-enter and re-let the Property and to terminate this Lease Agreement.

Whenever any Event of Default referred to in Section 9.1 hereof shall have happened and be continuing, it shall be lawful for the Trustee, as assignee of the Corporation, to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement; *provided, however*, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the County is expressly made a condition and upon the breach thereof, the Trustee, as assignee of the Corporation, may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate this Lease Agreement; *provided*, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default and notwithstanding any re-entry by the Trustee, as assignee of the Corporation, the County shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Lease Agreement and the performance of all conditions herein contained and, in

any event such rent and/or damages shall be payable to the Trustee, as assignee of the Corporation, at the time and in the manner as herein provided, to wit:

(a) In the event the Trustee, as assignee of the Corporation, does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the County agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Trustee, as assignee of the Corporation, for any deficiency arising out of the re-leasing of the Property, or, in the event the Trustee, as assignee of the Corporation, is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of the Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Trustee, as assignee of the Corporation, or any suit in unlawful detainer, or otherwise, brought by the Trustee, as assignee of the Corporation, for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Trustee, as assignee of the Corporation. The County hereby irrevocably appoints the Trustee, as assignee of the Corporation, as the agent and attorney-in-fact of the County to enter upon and re-lease the Property in the event of default by the County in the performance of any covenants herein contained to be performed by the County and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place within Yuba County, for the account of and at the expense of the County, and the County hereby exempts and agrees to save harmless the Trustee, as assignee of the Corporation, from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Trustee, as assignee of the Corporation, or its duly authorized agents in accordance with the provisions herein contained. The County hereby waives any and all claims for damages caused or which may be caused by the Trustee, as assignee of the Corporation, in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the County that may be in or upon the Property. The County agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Trustee, as assignee of the Corporation, to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the County the right to terminate this Lease Agreement shall vest in the Trustee, as assignee of the Corporation, to be effected in the sole and exclusive manner hereinafter provided for in paragraph (b) hereof.

(b) In an Event of Default hereunder, the Trustee, as assignee of the Corporation, at its option may terminate this Lease Agreement and re-lease all or any portion of the Property. In the event of the termination of this Lease Agreement by the Trustee, as assignee of the Corporation, at its option and in the manner hereinafter provided on account of default by the County (and notwithstanding any re-entry upon the Property by the Trustee, as assignee of the Corporation, in any manner whatsoever or the re-leasing of the Property), the County nevertheless agrees to pay to the Trustee, as assignee of the Corporation, all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Trustee, as assignee of the Corporation, from such re-leasing shall be credited towards the Lease Payments next coming due and payable. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Trustee, as assignee of the Corporation, shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the County shall be or become effective by operation of law, or otherwise, unless and until the Trustee, as

assignee of the Corporation, shall have given written notice to the County of the election on the part of the Trustee, as assignee of the Corporation, to terminate this Lease Agreement. The County covenants and agrees that no surrender of the Property and/or of the remainder of the Term of the Lease Agreement or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Trustee, as assignee of the Corporation, by such written notice.

Section 9.3. No Remedy Exclusive. No remedy herein is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article IX it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law.

Section 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand, pay to the nondefaulting party the reasonable fees and expenses of such attorneys and such other expenses so incurred by the nondefaulting party; *provided, however*, that the Trustee shall not be required to expend its own funds for any payment described in this Section 9.4.

Section 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.6. Application of Proceeds. All net proceeds received from the re-lease or other disposition of the Property under this Article IX, and all other amounts derived by the Corporation or the Trustee as a result of an Event of Default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and after payment of all fees and expenses of the Trustee, including indemnifications and attorneys fees, shall be deposited by the Trustee in the Lease Payment Fund to be applied to the Lease Payments in order of payment date.

Section 9.7. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article IX have been assigned by the Corporation to the Trustee under the Assignment Agreement, to which assignment the County hereby consents. Such rights and remedies shall be exercised by the Trustee, BAM and the Owners of the Certificates as provided in the Trust Agreement and herein.

Section 9.8. No Right to Terminate for Corporation Default. The County shall not have the right to terminate this Lease Agreement as a remedy for a default by the Corporation in the performance of its obligations hereunder.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS

Section 10.1. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the County may, on any date, secure the payment of all or a portion of the Lease Payments remaining due by an irrevocable deposit with the Trustee or an escrow holder under an escrow deposit and trust agreement as referenced in Section 13.01(b) of the Trust Agreement, of: (a) in the case of a security deposit relating to all Lease Payments, either (i) cash in an amount which, together with amounts on deposit in the Lease Payment Fund and the Insurance and Condemnation Fund, is sufficient to pay all unpaid Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedules set forth in Exhibits C, D and E, or (ii) Defeasance Obligations in such amount as will, in the written opinion of an independent certified public accountant or other firm of recognized experts in such matters (addressed to BAM), together with interest to accrue thereon and, if required, all or a portion of moneys or Defeasance Obligations or cash then on deposit and interest earnings thereon in the Lease Payment Fund and the Insurance and Condemnation Fund, be fully sufficient to pay all unpaid Lease Payments on their respective Lease Payment Dates; or (b) in the case of a security deposit relating to a portion of the Lease Payments, a certificate executed by a County Representative designating the portion of the Lease Payments to which the deposit pertains, and either (i) cash in an amount which is sufficient to pay the portion of the Lease Payments designated in such County Representative's certificate, including the principal and interest components thereof, or (ii) Defeasance Obligations in such amount as will, together with interest to be received thereon, if any, in the written opinion of an independent certified public accountant or other firm of recognized experts in such matters (addressed to BAM), be fully sufficient to pay the portion of the Lease Payments designated in the aforesaid County Representative's certificate.

In the event of a deposit pursuant to this Section 10.1 as to all Lease Payments and the payment of all fees, expenses and indemnifications owed to the Trustee, all obligations of the County under this Lease Agreement shall cease and terminate, excepting only the obligation of the County to make, or cause to be made, all payments from the deposit made by the County pursuant to this Section 10.1 and the obligations of the County pursuant to Section 5.13 hereof and title to the Property shall vest in the County on the date of said deposit automatically and without further action by the County or the Corporation. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the payments provided for by this Section 10.1 and said obligation shall thereafter be deemed to be and shall constitute the installment purchase obligation of the County for the Property. Upon said deposit, the Corporation will execute or cause to be executed any and all documents as may be necessary to confirm title to the Property in accordance with the provisions hereof. In addition, the Corporation hereby appoints the County as its agent to prepare, execute and file or record, in appropriate offices, such documents as may be necessary to place record title to the Property in the County.

Section 10.2. Prepayment Option. The Corporation hereby grants an option to the County to prepay the principal component of the Series A Lease Payments in full, by paying the aggregate unpaid principal components of the Series A Lease Payments as set forth in Exhibit D hereto, or in part, in a prepayment amount equal to the principal amount of Series A Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Said option may be exercised in whole or in part on any date, commencing October 15, _____. In the event of prepayment in part, the partial prepayment shall be applied against Series A Lease Payments in such order of payment date as shall be selected by the County.

Series A Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Series A Lease Payment schedule which shall be provided by, or caused to be provided by, the County to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibit D attached hereto taking into account said partial prepayment.

Notwithstanding the foregoing, the County shall not be permitted to prepay any Lease Payments if any amounts are owed to BAM with respect to the Municipal Bond Insurance Policy.

Section 10.3. Extraordinary Mandatory Prepayment from Unexpended Proceeds of the Series A Certificates. The Series A Lease Payments are subject to extraordinary mandatory prepayment within 90 days after the later of: (a) the third anniversary of the delivery date of the Series A Certificates; or (b) the Extension Period Expiration Date (as defined in the Trust Agreement), at par, plus accrued interest to the date of redemption, in a total amount equal to the unexpended Available Project Proceeds (as defined in the Trust Agreement) of the Series A Certificates plus such amount as shall be necessary to permit the Series A Certificates to be redeemed in multiples of \$5,000 within a single maturity, but only to the extent available proceeds of the Series A Certificates are not expended by the later of: (i) the third anniversary of the delivery date of the Series A Certificates; or (ii) the Extension Period Expiration Date.

Section 10.4. Extraordinary Optional Prepayment Due to an Extraordinary Event. The Series A Lease Payments are further subject to prepayment prior to maturity at the option of the County upon the occurrence of an Extraordinary Event (as defined in the Trust Agreement), from any source of available funds, as a whole or in part in multiples of \$5,000, on any date, at a redemption price equal to 100% of the principal amount of the Certificates to be redeemed plus the Make-Whole Premium (as defined in the Trust Agreement), if any, together with accrued interest to the date fixed for redemption.

Section 10.5. Mandatory Prepayment From Net Proceeds of Insurance, Title Insurance or Eminent Domain. The County shall be obligated to prepay the Lease Payments, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of an insurance, title insurance or condemnation award with respect to the Property theretofore deposited in the Lease Payment Fund for such purpose pursuant to Article VI hereof and Article VI of the Trust Agreement. The County and the Corporation hereby agree that such Net Proceeds shall be applied first to the payment of any delinquent Lease Payments, and thereafter shall be credited towards the County's obligations under this Section 10.3. Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Lease Payment schedule which shall be provided by, or caused to be provided by, the County to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibits C, D and E attached hereto taking into account said partial prepayment.

Section 10.6. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Lease Payments in full under this Article X, such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, remaining amounts on deposit in the Lease Payment Fund shall be credited towards the amounts then required to be so prepaid.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in first-class form with postage fully prepaid:

If to the Corporation:	County of Yuba Public Facilities Corporation c/o County of Yuba 915 8th Street Marysville, CA 95691 Attention: County Administrator Phone: (530) 749-7575 Fax: (530) 749-7312
If to the County:	County of Yuba 915 8th Street Marysville, CA 95691 Attention: County Administrator Phone: (530) 749-7575 Fax: (530) 749-7312
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Services Phone: (415) 677-3599 Fax: (415) 677-3768
If to BAM:	Build America Mutual Insurance Company 1 World Financial Center, 27th Floor, 200 Liberty Street New York, NY 10281 Attention: Surveillance Re: Policy No. _____ Phone: (212) 235-2500

The Corporation, the County, BAM and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2. Information to be Given to BAM.

(a) The County shall provide BAM with the following information:

(i) the fiscal year budget of the County within thirty (30) days after adoption of such budget;

(ii) not later than nine months after the end of the fiscal year, audited financial statements of the County prepared by an independent certified public accountant, together with a certificate of the County stating that no event of default has occurred or is continuing under this Lease Agreement or the Trust Agreement;

(iii) prior to the incurrence of additional Parity Debt, any disclosure document or financing agreement pertaining to such additional obligations, which disclosure document or financing agreement shall include, without limitation, the applicable

maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such additional obligations;

(iv) within thirty (30) days following any litigation or investigation that may have a material adverse affect on the financial position of the County of such litigation;

(v) notice of any Event of Default known to the County within five Business Days after knowledge thereof;

(vi) prior notice of the advance refunding or redemption of any of the Certificates, including the principal amount, maturities and CUSIP numbers thereof;

(vii) notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(viii) notice of the commencement of any proceeding by or against the County, the County or the Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(ix) notice of the making of any claim in connection with any insolvency proceeding seeking the avoidance as a preferential transfer of any payment of principal or interest with respect to the Certificates;

(x) a full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Trust Agreement and/or this Lease Agreement; and

(xi) (A) all notices and other information the County is obligated to provide under its Continuing Disclosure Certificate and (B) all reports, notices and correspondence to be delivered to Owners under the terms of the Trust Agreement and/or this Lease Agreement.

(b) The County will permit BAM to discuss the affairs, finances and accounts of the County or any information BAM may reasonably request regarding the security for the Lease Payments with appropriate officers of the County. The County will permit BAM to have access to and to make copies of all books and records relating to the Certificates at any reasonable time upon reasonable notice on any Business Day.

BAM shall have the right to direct an accounting, at the County's expense, and the County's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from BAM shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner.

Section 11.3. BAM as Third Party Beneficiary. BAM is explicitly recognized as being a third party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

Section 11.4. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the County and their respective successors and assigns.

Section 11.5. Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6. Net-net-net Lease. This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 11.7. Further Assurances and Corrective Instruments. The Corporation and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intentions of this Lease Agreement.

Section 11.8. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.9. Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.10. Corporation and County Representatives. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the County is required, or the Corporation or the County is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the County by a County Representative, and each party hereto shall be authorized to rely upon any such approval or request.

Section 11.11. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Lease Agreement to be executed in its name by its duly authorized officers; and the County has caused this Lease Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

COUNTY OF YUBA PUBLIC FACILITIES
CORPORATION

By _____
Mary Jane Griego
President

Attest:

By _____
Secretary

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

Attest:

By _____
Donna Stottlemeyer
Clerk of the Board of Supervisors

EXHIBIT A**DESCRIPTION OF THE SITE**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YUBA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

LOTS 47, 48 AND 49, AS SHOWN UPON THE MAP ENTITLED, "OSTROM TRACT ACRES SUBDIVISION," ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF YUBA, STATE OF CALIFORNIA, IN BOOK 4 OF MAPS, AT PAGE 9.

EXCEPTING THEREFROM, THAT PORTION THEREOF DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 6, 1961 IN BOOK 317 OF YUBA COUNTY OFFICIAL RECORDS, AT PAGE 240.

ALSO EXCEPTING THEREFROM, THAT PORTION THEREOF LYING WITHIN THE RIGHTS OF WAY FOR DRAINAGE CANAL AS PARTICULARLY DESCRIBED IN ACTION IN EMINENT DOMAIN IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF YUBA ACTION NO. 15142, ENTITLED, "OLIVEHURST PUBLIC UTILITY DISTRICT, VS. FRANCIS BICKETT, ET AL, " A NOTICE OF WHICH WAS RECORDED APRIL 7, 1961 IN BOOK 321 OF YUBA COUNTY OFFICIAL RECORDS, AT PAGE 479.

ALSO EXCEPTING THEREFROM, THAT PORTION THEREOF DESCRIBED AS BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 48; THENCE NORTH 0 DEGREES 14 MINUTES 30 SECONDS WEST ALONG THE EASTERLY LINE OF SAID LOT 48 A DISTANCE OF 22.55 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 30 SECONDS WEST PARALLEL WITH THE SOUTHERLY LINE OF LOT 48, 49 AND 51 OF SAID OSTROM TRACT ACRES TO A POINT ON THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN AN ACTION IN EMINENT DOMAIN IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF YUBA, ACTION NO. 15142, ENTITLED, "OLIVEHURST PUBLIC UTILITY DISTRICT VS. FRANCIS BICKETT, ET AL," A NOTICE OF WHICH WAS RECORDED APRIL 7, 1961 IN BOOK 321 OF OFFICIAL RECORDS, AT PAGE 479; THENCE SOUTHERLY ALONG THE SAID EASTERLY LINE TO A POINT ON THE SOUTHERLY LINE OF SAID LOT 51; THENCE NORTH 89 DEGREES 45 MINUTES 30 SECONDS EAST ALONG THE SOUTHERLY LINE OF SAID LOTS 51, 49 AND 48 TO THE POINT OF BEGINNING.

APN: 014-190-035

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility is a 19,771 square foot building located on the Site at 4240 Dan Avenue, Olivehurst California. It was originally constructed in 1975 as a church and community center with an addition added in 1978. The County acquired the property in 1998 and operates its Victim Witness program from the Facility. The Facility is comprised largely offices and interview rooms where the County's Victim Witness organization deals with victims of crime and helps them navigate the criminal justice system.

EXHIBIT C**SCHEDULE OF SERIES A LEASE PAYMENTS**

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
4/15/16				
10/15/16				
4/15/17				
10/15/17				
4/15/18				
10/15/18				
4/15/19				
10/15/19				
4/15/20				
10/15/20				
4/15/21				
10/15/21				
4/15/22				
10/15/22				
4/15/23				
10/15/23				
4/15/24				
10/15/24				
4/15/25				
10/15/25				
4/15/26				
10/15/26				
4/15/27				
10/15/27				
4/15/28				
10/15/28				
4/15/29				
10/15/29				
4/15/30				
10/15/30				
4/15/31				
10/15/31				
4/15/32				
10/15/32				
4/15/33				
10/15/33				
4/15/34				
10/15/34				
4/15/35				
10/15/35				

EXHIBIT D

SCHEDULE OF SERIES B LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
4/15/16				
10/15/16				
4/15/17				
10/15/17				
4/15/18				
10/15/18				

EXHIBIT E

SCHEDULE OF ALL LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
4/15/16				
10/15/16				
4/15/17				
10/15/17				
4/15/18				
10/15/18				
4/15/19				
10/15/19				
4/15/20				
10/15/20				
4/15/21				
10/15/21				
4/15/22				
10/15/22				
4/15/23				
10/15/23				
4/15/24				
10/15/24				
4/15/25				
10/15/25				
4/15/26				
10/15/26				
4/15/27				
10/15/27				
4/15/28				
10/15/28				
4/15/29				
10/15/29				
4/15/30				
10/15/30				
4/15/31				
10/15/31				
4/15/32				
10/15/32				
4/15/33				
10/15/33				
4/15/34				
10/15/34				
4/15/35				
10/15/35				

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

Dated as of November 1, 2015

by and between the

COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, as Assignor

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Taxable Certificates of Participation, Series A
(2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs)

Taxable Certificates of Participation, Series B
(2015 Clean Renewable Energy Project)

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of November 1, 2015, by and between the COUNTY OF YUBA PUBLIC FACILITIES CORPORATION, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

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

Section 1. Recitals.

(a) the Corporation and the County of Yuba (the "County"), have entered into a lease agreement, dated as of November 1, 2015, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"), whereby the Corporation has agreed to lease to the County, and the County has agreed to lease from the Corporation, those certain parcels of real property situated in Yuba County, State of California, more particularly described in Exhibit A hereto (the "Site"), and those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility") and, with the Site, the "Property"), in the manner and on the terms set forth in the Lease Agreement, which terms include, without limitation, the obligation of the County to pay lease payments (the "Lease Payments") to the Corporation in consideration of the County's use and enjoyment of the Property.

(b) Under the Lease Agreement, the Corporation is required to cause to be deposited with the Trustee certain sums of money to be credited, held and applied in accordance with the Lease Agreement and with a trust agreement, dated as of November 1, 2015 (the "Trust Agreement"), by and among the Corporation, the County and the Trustee.

(c) Upon delivery of the Lease Agreement, the Corporation is required to deposit with the Trustee moneys to finance the costs of a clean renewable energy project consisting of a solar photovoltaic energy system (the "Project"). For the purpose of obtaining such moneys, the Corporation is willing to convey to certain persons (the "Owners") direct, undivided fractional interests in the Lease Payments, such direct, undivided fractional interests to be evidenced by certificates of participation therein (the "Certificates"). In order to make such fractional interests marketable on terms acceptable to the Corporation, the Corporation is willing to assign and transfer its rights under the Lease Agreement to the Trustee for the benefit of the Owners. Concurrently with the delivery of this Assignment Agreement, the Trustee is executing and delivering Certificates in an aggregate principal amount of _____ dollars (\$_____). The proceeds of such sale are anticipated to be sufficient to permit the Corporation to make the deposits required under the Lease Agreement and the Trust Agreement and to permit the Corporation to finance the Project.

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

Section 2. Assignment. The Corporation, for good and valuable consideration, hereby transfers, assigns and sets over to the Trustee, for the benefit of the Owners of the Certificates (as defined in the Trust Agreement) and Build America Mutual Assurance Company, as

municipal bond insurer for the Certificates ("BAM"), all of the Corporation's rights and interests under (a) the Lease Agreement (excepting only the Corporation's rights to give approvals and consents and its rights under Sections 5.8, 7.3 and 9.4 but none of its obligations, including, without limitation, its obligations under Section 4.7 of the Lease Agreement), including without limitation (i) the right to receive and collect all of the Lease Payments from the County, (ii) the right to receive and collect any proceeds of any insurance maintained thereunder and of any condemnation award rendered with respect to the Property, and (iii) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Lease Agreement as may be necessary or convenient (A) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund established under the Trust Agreement, or (B) otherwise to protect the interests of the Owners in the event of a default by the County under the Lease Agreement. All rights assigned by the Corporation shall be administered by the Trustee in accordance with the provisions of the Trust Agreement and for the equal and fractional benefit of the Owners of the Certificates and (b) the Site and Facility Lease.

Section 3. Acceptance. The Trustee hereby accepts the assignments made herein for the purpose of securing, equally and fractionally, the payments due pursuant to the Lease Agreement and the Trust Agreement to, and the rights under the Lease Agreement and Trust Agreement of, the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement.

Section 4. Conditions. This Assignment Agreement shall neither confer rights nor impose duties upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee assumes no responsibility for the accuracy of the recitals herein.

Section 5. Third Party Beneficiary. BAM shall be deemed to be a third party beneficiary of this Assignment Agreement.

Section 6. Amendment. This Assignment Agreement may not be amended except as permitted under Section 10.01 of the Trust Agreement.

Section 7. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

COUNTY OF YUBA PUBLIC FACILITIES
CORPORATION

By _____
Mary Jane Griego
President

Attest:

By _____
Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Mary Wong
Assistant Vice President

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A

DESCRIPTION OF THE SITE

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YUBA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

LOTS 47, 48 AND 49, AS SHOWN UPON THE MAP ENTITLED, "OSTROM TRACT ACRES SUBDIVISION," ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF YUBA, STATE OF CALIFORNIA, IN BOOK 4 OF MAPS, AT PAGE 9.

EXCEPTING THEREFROM, THAT PORTION THEREOF DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 6, 1961 IN BOOK 317 OF YUBA COUNTY OFFICIAL RECORDS, AT PAGE 240.

ALSO EXCEPTING THEREFROM, THAT PORTION THEREOF LYING WITHIN THE RIGHTS OF WAY FOR DRAINAGE CANAL AS PARTICULARLY DESCRIBED IN ACTION IN EMINENT DOMAIN IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF YUBA ACTION NO. 15142, ENTITLED, "OLIVEHURST PUBLIC UTILITY DISTRICT, VS. FRANCIS BICKETT, ET AL, " A NOTICE OF WHICH WAS RECORDED APRIL 7, 1961 IN BOOK 321 OF YUBA COUNTY OFFICIAL RECORDS, AT PAGE 479.

ALSO EXCEPTING THEREFROM, THAT PORTION THEREOF DESCRIBED AS BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 48; THENCE NORTH 0 DEGREES 14 MINUTES 30 SECONDS WEST ALONG THE EASTERLY LINE OF SAID LOT 48 A DISTANCE OF 22.55 FEET; THENCE SOUTH 89 DEGREES 45 MINUTES 30 SECONDS WEST PARALLEL WITH THE SOUTHERLY LINE OF LOT 48, 49 AND 51 OF SAID OSTROM TRACT ACRES TO A POINT ON THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN AN ACTION IN EMINENT DOMAIN IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF YUBA, ACTION NO. 15142, ENTITLED, "OLIVEHURST PUBLIC UTILITY DISTRICT VS. FRANCIS BICKETT, ET AL," A NOTICE OF WHICH WAS RECORDED APRIL 7, 1961 IN BOOK 321 OF OFFICIAL RECORDS, AT PAGE 479; THENCE SOUTHERLY ALONG THE SAID EASTERLY LINE TO A POINT ON THE SOUTHERLY LINE OF SAID LOT 51; THENCE NORTH 89 DEGREES 45 MINUTES 30 SECONDS EAST ALONG THE SOUTHERLY LINE OF SAID LOTS 51, 49 AND 48 TO THE POINT OF BEGINNING.

APN: 014-190-035

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility is a 19,771 square foot building located on the Site at 4240 Dan Avenue, Olivehurst California. It was originally constructed in 1975 as a church and community center with an addition added in 1978. The County acquired the property in 1998 and operates its Victim Witness program from the Facility. The Facility is comprised largely offices and interview rooms where the County's Victim Witness organization deals with victims of crime and helps them navigate the criminal justice system.

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the COUNTY OF YUBA (the "County") in connection with the execution and delivery of \$_____ County of Yuba Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of November 1, 2015, by and among U.S. Bank National Association, as trustee (the "Trustee"), the County and the County of Yuba Public Facilities Corporation (the "Trust Agreement"). Pursuant to Section 10.08 of the Trust Agreement, the County covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Dissemination Agent" shall mean Capitol Public Finance Group, LLC, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation. In the absence of such a designation, the County shall act as the Dissemination Agent.

"EMMA" or *"Electronic Municipal Market Access"* means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Participating Underwriter" shall mean any original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The County shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the County's fiscal year (which currently ends on June 30), commencing with the report for the 2014-15 Fiscal Year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date; provided further, however, that if the audited financial statements are not available by that date, the County shall, or shall cause the Dissemination Agent to, file unaudited financial statements for such prior fiscal year end.

(b) *Change of Fiscal Year.* If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the County.

(d) *Report of Non-Compliance.* If the County is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the County shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the County is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the County, file a report with the County certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the County for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the County, the Annual Report shall also include financial and operating data with respect to the County for preceding fiscal year, as follows, substantially similar to that provided in the corresponding tables and charts in the official statement for the Certificates:

- (1) Table 3—Tax Revenues By Source.
- (2) Table 4—Other Revenue Sources.
- (3) Table 5—Assessed Valuations.
- (4) Table 6—Assessed Valuation and Parcels by Land Use.
- (5) Table 7—Per Parcel 2014-15 Assessed Valuation of Single Family Homes.
- (6) Table 17—Direct and Overlapping Bonded Debt.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which are available to the public on EMMA. The County shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the County shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The County shall, or shall cause the Dissemination Agent (if not the County) to, give notice of the occurrence of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has

been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.
- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The County shall, or shall cause the Dissemination Agent (if not the County) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Certificates under the Trust Agreement.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the County, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the County. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Certificate owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the County shall not be construed

to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the County.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid reasonable compensation by the County for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the County from time to time and all reasonable expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the County, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the County or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the County. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the County that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Certificate owners in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Certificate owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Certificate owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the County shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event,

in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Trust Agreement. The obligations of the County under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: November 24, 2015

COUNTY OF YUBA

By _____
Robert Bendorf
County Administrator

ACKNOWLEDGED:

CAPITOL PUBLIC FINANCE GROUP,
LLC, as Dissemination Agent

By _____
Name _____
Title _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: County of Yuba

Name of Issue: \$_____ Taxable Certificates of Participation, Series A (2015 Clean Renewable Energy Project—Direct Pay Subsidy CREBs) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the County of Yuba, as the Rental for Certain Property Pursuant to a Lease Agreement with the County of Yuba Public Facilities Corporation

Date of Issuance: November 24, 2015

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated November 24, 2015, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CAPITOL PUBLIC FINANCE GROUP,
LLC, Dissemination Agent

By _____
Authorized Officer

About Us



Welcome to the North Valley Hispanic Chamber of Commerce (NVHCC) website. We encourage visitors to visit our proud sponsors and our members' websites.

As the name suggests, the NVHCC serves businesses and consumers in the North Valley. Our service area is approximately a 50 mile radius from Yuba City and includes, but is not limited to Yuba City, Colusa, Gridley, Marysville, Live Oak, Sutter, Linda, Olivehurst, Lincoln, Woodland, and Natomas. Within this site you will find news, contacts, links, event notices, and business applications... all types of helpful information and tools to assist consumers and businesses grow and prosper by exchanging views and information.

The North Valley Hispanic Chamber of Commerce plays an important role in the Latino Community and the Community as a whole. Although the North Valley Hispanic Chamber of Commerce is primarily focused on promoting business, it also understands and relishes its role as advocate for the local Latino Community.

Through our activities and programs we reach out to family, friends and neighbors in the community and give everyone in the community an opportunity to experience all that Hispanic culture has to offer.




We also provide a vital forum for the Hispanic business community to share ideas, concerns and successes. Our strategy is to facilitate our local community leaders and our Chamber members to come together and build partnerships that allow businesses and other members of the community to better understand their contribution that each of us makes to the growth and development of the North Valley.

We conduct a wide variety of activities including: networking sessions, luncheons and dinners with local and state keynote speakers that are leaders in the community.

Please join us by participating in events that highlight the contributions of our businesses and support of the development of our future leaders. We appreciate your support and we look forward to your participation.

[Join](#)[Contact](#)

Contact Us

 (530) 923-7665
 North Valley Hispanic Chamber of Commerce
321 D Street Suite C, Marysville CA 95901
 info@nvhcc.org

Policies

[Terms of Use](#)
[Privacy Policy](#)

© 2014 North Valley Hispanic Chamber of Commerce

Site Designed & Developed by LimeWorks, Inc.

Membership Levels & Benefits

Corporate Membership >200 employees \$1,000

- Meet with Executive Board to discuss the best way to tailor our services to your specific needs
- Business Name on Website and Web listing
- Company logo placement
- Eligible to host a Mixer
- Chamber Partner Program

Large Business 100-200 employees \$500

- Free entry to Monthly Mixers
- Online Member Directory
- Listing in Member Benefits where applicable
- Display business cards at mixers
- Access to member discounts

Government Agency State, Local, Federal \$250

- All General Member benefits
- Attendance at mixers for group
- Promote your agency at mixers (up to full page flyer)
- Eligible to host a mixer

Small Business <100 employees \$100

- All General Member benefits
- Attendance at all mixers
- Pinata Breaking
- Listing on website
- Unlimited Networking Events
- Promotion of business
- Workshop seminars and events on business growth and development

Schools and Nonprofit Organization - \$100.00

- All General Member Benefits
- Chamber Online Member Directory

Individual \$50

- Access to all events

Senior or Student




- Access to all events

Main Menu

- Join the Chamber
 - Membership Levels & Benefits
- Member Directory
- News & Events
- About Us
- Contact



Contact Us

-  (530) 923-7665
-  North Valley Hispanic Chamber of Commerce
321 D Street Suite C, Marysville CA 95901
-  info@nvhcc.org

Policies

- [Terms of Use](#)
- [Privacy Policy](#)

© 2014 North Valley Hispanic Chamber of Commerce

Site Designed & Developed by LimeWorks, Inc.

From: Wendy Zapata [REDACTED]
Sent: Tuesday, October 06, 2015 5:06 PM
To: Stottlemeyer, Donna
Subject: North Valley Hispanic Chamber Member Benefits
Attachments: Gallagher.pdf

Hi Donna-

Thanks for taking the time to speak with me today. The following are general membership benefits and I will be enhancing these benefits in the future:

- Radio Announcements/Special Advertising Packages
- Affiliations with the Yuba-Sutter Regional Arts Council/Yuba-Sutter Chamber of Commerce/California Chamber of Commerce/Latino Leadership Program/ Yuba-Sutter Farm Bureau/Yuba-Sutter Economic Development Corporation
- Listing in the NVHCC membership directory
- Direct link from the NVHCC website to your website
- Monthly opportunities to network with other members at our lunch with a leader, La Cena Socials, Government affairs programs, all mixers and events
- Workshop seminars and events on business growth and development
- Business advocacy with legislators and other elected officials through our business Cafe Con Leche breakfast forums every quarter and major events
- Business start up, support and assistance
- Workshops, information exchange and special events on business development
- Member to member discounts

We have a great event scheduled October 16th at Peach Tree Golf and Country Club. Please see the attached flyer.

Wendy L. Zapata
NVHCC Executive Director
(916) 532-1165

[Join the Chamber](#) ▾[Member Directory](#)[News & Events](#) ▾[About Us](#) ▾[Contact](#)

Committees

Committee Descriptions Ambassador Committee: The Ambassadors are a group of business leaders and an extension of the board. They are committed to help the Chamber fulfill its mission and vision. The Ambassador program is a premier business-networking program and the Ambassadors are the backbone of the Chamber volunteer force where they assist different parts of the chamber as needed.

Events Committee: The Events Committee shall meets as necessary. The committee's responsibilities include planning and organizing social events and activities which engage Chamber members and the community such as Piñata Breaking Ceremonies, Café con Leches, Amigos and Amogas Business After Hours Mixers, La Cena Socials, and Quarterly General Membership Meetings.

Executive Committee: The Executive Committee is comprised of Board Members: the President , Vice-President , Secretary, and Treasurer. The Executive Committee works with and advises the CEO, and it shall be vested with the powers of authority as are delegated to it by the Board of Directors.

Finance Committee: The Finance Committee is responsible for preparing an annual budget for the chamber and reviewing draft audited financial statements. It manages the finances for the chamber. The Finance/Audit Committee meet as necessary.




Executive Committee: The Executive Committee is comprised of Board Members: the President , Vice-President , Secretary, and Treasurer. The Executive Committee works with and advises the Executive Director/CEO, and is vested with the powers of authority as are delegated to it by the Board of Directors. It exercises close supervision of the Chamber and assures the achievement of expected goals within a projected budget. Develops plans to increase fund raising, and oversees the day-to-day operation of the organization. . For more information contact the Executive Committee Chair, Dr. Ernest Garcia.

Main Menu

- [Join the Chamber](#)
- [Member Directory](#)
- [News & Events](#)
- [About Us](#)
 - [Board of Directors](#)
 - [Committees](#)
 - [Sponsors](#)
- [Contact](#)



Contact Us

 (530) 923-7665
 North Valley Hispanic Chamber of
Commerce
321 D Street Suite C, Marysville CA 95901
 info@nvhcc.org

Policies

[Terms of Use](#)
[Privacy Policy](#)

© 2014 North Valley Hispanic Chamber of Commerce

Site Designed & Developed by LimeWorks, Inc.

The County of Yuba



(468-1015) Adopt... - 1 of 4

915 8 STREET, STE 113
MARYSVILLE, CA 95901

(530) 749-7860 • PHONE
(530) 749-7864 • FAX

HUMAN RESOURCES and ORGANIZATIONAL SERVICES

JILL ABEL, DIRECTOR

TO: Board of Supervisors

FROM: Jill Abel, Human Resources Director
Tina Taylor, Director of Child Support Services

RE: Resolution authorizing YCDCSS to hire a retired annuitant

DATE: October 20, 2015

RECOMMENDATION

It is recommended that the Board of Supervisors adopt a resolution authorizing the Department of Child Support Services to hire retired annuitant Andrew Henderson for an extra help Attorney III position.

BACKGROUND

The Yuba County Department of Child Support Services is currently experiencing a serious staffing shortage due to the absence of an Attorney. Child Support has legal documents that need to be processed daily and it is necessary to have an attorney review and sign pleadings as well as appear in court. The Attorney position has a direct impact on federal performance measures as well as a significant effect on the department's ability to establish and enforce child support in a timely manner for Yuba County families.

DISCUSSION

Andrew Henderson retired from his position as an Attorney III in Child Support Services on May 15, 2015. Due to his tenure and knowledge of the requirements of the Attorney III position, he is uniquely qualified to step in and assist the department in addressing their critical need.

As a result of pension reform changes, Government Code section 7552.26 requires that post-retirement employment commence no earlier than 180 days after the retirement date. Mr. Henderson retired on May 15, 2015, and the 180 day waiting period will exhaust on November 11, 2015. The Department of Child Support is in dire need of assistance prior to November 11th. Government Code section 21124 allows for an exception to the 180 day waiting period when a Public Agency provides a resolution certifying the nature of the employment and that the appointment is necessary to fill a critically needed position before the 180 days has passed.

FISCAL IMPACT

No fiscal impact to the County General Fund. The Department of Child Support Services will utilize available State and Federal funding to cover the cost.

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

**A RESOLUTION ADOPTING)
EXCEPTION TO THE 180-DAY)
WAIT PERIOD GC SECTIONS)
7522.56 & 21224)** **RESOLUTION NO. _____**

WHEREAS, in compliance with Government Code section 7522.56 the Yuba County Board of Supervisors must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, Andrew Henderson; CalPERS ID 4656114511 retired from County of Yuba in the position of Attorney III, effective May 15, 2015; and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is November 11, 2015 without this certification resolution; and

WHEREAS, section 7522.56 provides that this exception to the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Yuba County Board of Supervisors, the County of Yuba and Andrew Henderson certify that Andrew Henderson has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Yuba County Board of Supervisors hereby appoints Andrew Henderson as an extra help retired annuitant to perform the duties of the Attorney III for the County of Yuba under Government Code section 21224, effective October 21, 2015; and

WHEREAS, the entire employment agreement, contract or appointment document between Andrew Henderson and the County of Yuba has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum not exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$11,256 and the hourly equivalent is \$64.94, and the minimum base salary for this position is \$7,079 and the hourly equivalent is \$40.84; and

WHEREAS, the hourly rate paid to Andrew Henderson will be \$55.14; and

WHEREAS, Andrew Henderson has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

NOW, THEREFORE, BE IT RESOLVED THAT the Yuba County Board of Supervisors hereby certifies the nature of the appointment of Andrew Henderson as described herein and detailed in the attached appointment document and that this appointment is necessary to fill the critically needed position of Attorney III for the County of Yuba by October 21, 2015 because they are experiencing a serious staffing shortage due to the absence of a staff attorney and the Attorney position has a critical impact on federal performance measures and the ability to establish and enforce child support.

PASSED AND ADOPTED this _____ day of _____, 2015, by the Board of Supervisors of the County of Yuba by the following vote:

AYE:

NO:

ABSENT:

ABSTAIN:

Mary Jane Griego, Chair

ATTEST:

Donna Stottlemeyer, Clerk of the Board

APPROVED AS TO FORM
ANGIL P. MORRIS-JONES
COUNTY COUNSEL

By: _____




County of Yuba: New Appointment/Separation Status Form

Date Stamp

(468-1015) Adopt... - 4 of 4

Transaction: **New Appointment**Employee Type: **Extra Help**Detail: **EH MAX FY HRS 960****Complete This Section for All Actions:**

Department/Division:

Child Support Services

Budget #:

2600Effective Date of
This Transaction:**10/21/2015**

Completed By:

Tina Taylor

Contact Extension:

6023

Employee Name (Last, First, Middle Initial):

Henderson, Andrew

Employee Payroll #:

2290

Most Recent Hire Date:

10/21/2015

Current SCD (if known):

Street Address, City, State & Zip:

4320 Las Cruces Way, Sacramento, CA 95864

Primary phone:

(916) 350-552

Secondary Phone:

Mailing (if different than above:) Street Address, City, State & Zip:

Position:

Attorney III

Position Control Number (PCN):

CS-ATT-3-EHO

Bargaining Unit #:

14

Base:

Index Rate:

Salary:

Hours Wk (if PT):

20

Hourly (if PT):

\$55.14

Pay Differentials:

Comments:

Advanced Step New Hire ABOVE "1.10" Index Rate

BOS Date:

Resolution #:

Next SAD:

Complete for Separations / Terminations Only:Last Day Physically
Worked:

Separation / Termination Category (attach resignation letter when applicable):

Acceptable Notice: ☐

Detailed Explanation:

Secondary Explanation (if applicable):

Comments:

Leave Balances at time of Separation/Term:	VACATION				SICK		OTHER		
	Accrual Rate	Balance	Accrual Rate	Balance	FSL Balance	If Eligible for SL payout/conversion: Payout 25% <input type="checkbox"/> No <input type="checkbox"/> Yes	FH	CTO	Mgmt. Leave

COMMENTS:

Pursuant to Resolution adopted by the Yuba County
Board of Supervisors on 10/20/2015

HUMAN RESOURCES OFFICE: All pertinent County Ordinances,
Resolutions, Rules and Regulations have been complied with:☒ Approved☐ Denied

Signature of Human Resources Representative

DEPARTMENT - APPOINTING AUTHORITY: I hereby certify that
statements in this form are true and correct to the best of my knowledge.

Signature of Appointing Authority

11/9/15

Date

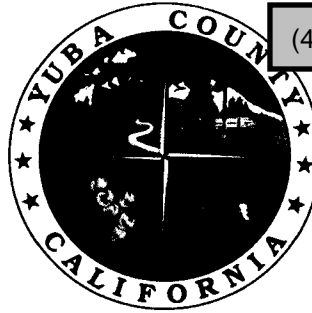
EMPLOYMENT STATUS: TO BE COMPLETED BY HUMAN RESOURCES ONLY

SSN:	DOB:	DL #:	Ethnicity:	Disabled: <input type="checkbox"/> Y <input type="checkbox"/> N
Retire: <input type="checkbox"/> PARS	<input type="checkbox"/> PERS-Classic	<input type="checkbox"/> PERS-Misc (2%55)	<input type="checkbox"/> PERS-Safety (2%@50)	Gender: <input type="checkbox"/> M <input type="checkbox"/> F
<input checked="" type="checkbox"/> N/A Retired Annuitant	<input type="checkbox"/> PERS-New	<input type="checkbox"/> PERS-Misc (2%62)	<input type="checkbox"/> PERS-Safety (2.7%@57)	EE Deduction %
EE ID #:	CalPERS ID:	Estimated Probation Date:	1 st Eval due:	SCD at Hire:
Benefits Entitled To:		Floating Holiday: <input type="checkbox"/> 2 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 0	Management Leave: <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	# Hrs:
Eligible for Re-hire <input type="checkbox"/> Yes <input type="checkbox"/> No	Notes:			
Mo/Yr:	Posting Transaction:	PC:	Auditor Dept/EE <input type="checkbox"/>	Initial: Date:

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director
Phone – (530) 749-5430 • Fax – (530) 749-5424
915 8th Street, Suite 123
Marysville, California 95901
www.co.yuba.ca.us



(466-1015) Adopt... - 1 of 4

CODE ENFORCEMENT
749-5455 • Fax 749-5424

ENVIRONMENTAL HEALTH • CUPA
749-5450 • Fax 749-5454

HOUSING & COMMUNITY SERVICES
749-5460 • Fax 749-5464

PLANNING
749-5470 • Fax 749-5434

PUBLIC WORKS • SURVEYOR
749-5420 • Fax 749-5424

Date: October 20, 2015
To: Yuba County Board of Supervisors
From: Michael Lee, Public Works Director

A handwritten signature in black ink, appearing to read "Michael Lee", is written over the "From:" line.

Subject: Adopt resolution accepting donations of \$95,000 for additional paving of CSA 2 roads, and authorizing the borrowing of \$65,000 from CSA 66 to CSA 2 for additional paving of CSA 2 roads

Recommendation:

Adopt resolution accepting donation of \$95,000 for additional paving of CSA 2 roads, and authorizing the borrowing of \$65,000 from CSA 66 to CSA 2 for additional paving of CSA 2 roads.

Background:

Public Works is currently administering a paving and grading contract for work on County Service Area (CSA) 2 roads. To take advantage of the of the construction currently taking place, CSA 2 residents approached Public Works with the desire to perform additional paving by collecting donations from residents. Residents were able to collect \$95,000 in donations and have requested the County match said donations by contributing \$65,000 of future CSA 2 assessment revenues toward this additional paving. The additional work will complete paving of Winding Way, and Westwood Trail to the existing paving on Monte Verde Lane.

Discussion:

Public Works is in favor of this proposal because it leverages a sizeable contribution from residents and will reduce significant ongoing grading maintenance of these roads.

CSA 66 has adequate funds in trust to allow for the borrowing without adversely affecting current services and future projects for CSA 66. CDSA will work the with the Auditor-Controller's office for proper accounting and loan repayment.

Committee Action:

Due to time restraints with current construction, the Land Use & Public Works Committee was bypassed.

Fiscal Impact:

The principal amount of the loan shall not exceed \$65,000, the rate of the borrowing will be determined by the county pool rate, and all borrowed funds and interest owed to the CSA 66 trust fund will be repaid from CSA 2 future assessment revenues. It is anticipated that the repayment will occur over a period of four fiscal years.

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

RESOLUTION ACCEPTING DONATIONS OF	)	RESOLUTION NO.
\$95,000 FOR ADDITIONAL PAVING OF CSA 2)	
ROADS, AND AUTHORIZING THE BORROWING)	
OF \$65,000 FROM CSA 66 TO CSA 2 FOR)	
FOR ADDITIONAL PAVING OF CSA 2 ROADS)	

WHEREAS, Public Works is currently administering a paving project in County Service Area (CSA) 2; and

WHEREAS, CSA 2 residents approached Public Works requesting additional paving if the residents were able and willing to collect donations to pay for said paving; and

WHEREAS, the cost estimate of the additional paving work requested by the CSA 2 residents is \$160,000; and

WHEREAS, CSA 2 residents have collected \$95,000 in donations and are requesting that the Board of Supervisors authorize a loan from another CSA to cover the \$65,000 cost balance for the additional paving work which shall be repaid by payment of future CSA 2 assessment revenues; and

WHEREAS, the Board of Supervisors are empowered by the California Government Code to accept gifts of money for any lawful purpose of a CSA and to borrow money for and make loans to a CSA; and

WHEREAS, CSA 66 has adequate funds in trust to allow for the borrowing without adversely affecting current services and future projects for CSA 66;

WHEREAS, it is in the best interest of the County and CSA 2 residents to leverage the private donations, by borrowing \$65,000 from CSA 66, to be repaid by future CSA 2 assessment revenues; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Board of Supervisors of the County of Yuba hereby authorizes the following pursuant to their powers under the code sections reflected herein below:

1. Accepts the gift of \$95,000 in donations on behalf of CSA 2 for the additional pavement on CSA 2 roads in accordance with their powers under Government Code §25214.2 (a); and
2. Authorizes the borrowing of up to \$65,000 from the CSA 66 Trust Fund to the CSA 2 Trust Fund for additional paving work in CSA 2, to be repaid with interest at the county pool rate, from future CSA 2 assessment revenues in accordance with their powers under Government Code §25214.4 (a).

BE IT FURTHER RESOLVED AND ORDERED, that the Board of Supervisors of the County of Yuba acting pursuant to their powers under Government Code §25214.4 (b) authorizes that the repayment of the loan of up to \$65,000 from the CSA 66 Trust Fund by the CSA 2 Trust Fund for the additional paving work in CSA 2, to be repaid with interest at the county pool rate, from future CSA 2 assessment revenues is extended for a period that does not exceed three years from the end of the fiscal year in which the loan was made.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the _____ day of _____, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CHAIR

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

ANGIL P. MORRIS-JONES
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:



The County of Yuba

Office of the County Administrator



Robert Bendorf, County Administrator

TO: Yuba County Board of Supervisors
FROM: Robert Bendorf, County Administrator *RB/KS*
RE: Recommendations for Capital Improvements to the Existing Juvenile Hall
DATE: October 20, 2015

RECOMMENDATION

It is recommended that the Board of Supervisors provide direction for improvements needed at Juvenile Hall and Camp Singer.

BACKGROUND

The existing Juvenile Hall facility and accompanying buildings are in need of certain safety, appearance, and security upgrades and repairs. Although a new facility will likely be built in the next two to three years, there are two issues staff is recommending be explored: a surveillance camera upgrade for Juvenile Hall and repair of the insulation in the indoor recreation area of Camp Singer.

DISCUSSION

These two items have been mentioned by the Bureau of State Community Corrections (BSCC) and local grand juries over the past few years. The repairs and/or replacements have been delayed due to lack of funding and the successful grant application(s) to build a new facility.

The current security camera system is outdated, not in good working order, and should be considered for replacement. The new facility will most likely need a more advanced security system.

The insulation located in the indoor recreation area of Camp Singer is partially torn and/or missing as a result of non-vandalism activity in the building. Although the insulation does not present a health hazard, it is unsightly and could cause other issues.

In summary, staff is asking for direction from the Board of Supervisors to proceed with

exploring various solutions to the two items presented in this report.

- *Security Cameras* – Direction would include that the Chief Probation Officer, Chief Information Officer, and the Administrative Services Director explore solutions related to the security cameras, and provide recommendation(s) to be evaluated by the Board of Supervisors for possible implementation by the end of the current fiscal year.
- *Insulation Repair* – Direction would include that the Chief Probation Officer and the Administrative Services Director explore solutions related to the insulation repair, and provide recommendation(s) to be evaluated by the Board of Supervisors for possible implementation by the end of the current fiscal year.

COMMITTEE ACTION

The Public Facilities Committee heard this matter on September 22, 2015, and recommended to conduct due diligence and present this matter, with recommendations, before the Board of Supervisors at a later date.

FISCAL IMPACT

None immediately, since the recommendation is for direction only.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, SACRAMENTO DISTRICT
1326 J STREET
SACRAMENTO, CA 95814-2922

(472-1015) Lette... - 1 of 4

RECEIVED

OCT-13-2015

Clerk/Board of Supervisors

Environmental Resources Branch

TO ALL INTERESTED PARTIES:

The U.S. Army Corps of Engineers, Sacramento District (Corps) and the Yuba County Water Agency (YCWA) will be holding a series of Public Scoping meetings to provide information on the Yuba River Ecosystem Restoration Feasibility Study and to solicit input from the public to incorporate into the planning process. The Yuba River Ecosystem Restoration Feasibility Study is authorized under the Rivers and Harbors Act of 1962, Public Law 87- 874, Section 209.

The Corps intends to prepare an integrated Feasibility Report and Draft Environmental Impact Statement (FR & DEIS) to identify and respond to problems and opportunities associated with ecosystem restoration in the Yuba River watershed. The YCWA will serve as non-Federal sponsor, partnering with the Corps in developing this feasibility study. The Corps will serve as the lead agency for compliance with the National Environmental Policy Act (NEPA). The YCWA will serve as lead agency for compliance with California Environmental Quality Act (CEQA). A series of Public Scoping meetings will be held in late October and early November 2015 to satisfy NEPA and CEQA requirements as follows:

Meeting #1 – Wednesday, October 28, 2015, 1 – 3 p.m. at John E. Moss Federal Building Stanford Room (650 Capitol Mall, Sacramento, CA 95814).

Meeting #2 – Thursday, October 29, 2015, 5 – 7 p.m. at Nevada County Library Community Room (980 Helling Way, Nevada City, CA 95959).

Meeting #3 – Wednesday, November 4, 2015, 5 – 7 p.m. at Yuba County Government Center Marysville and Wheatland Conference Room (915 8th Street, Marysville, CA 95901).

The Yuba River Watershed is located in northern California on the western slopes of the Sierra Nevada Mountain Range. The watershed encompasses 1,340 square miles in portions of Sierra, Placer, Yuba, and Nevada counties. The Yuba River is a tributary of the Feather River which, in turn, flows into the Sacramento River near the town of Verona, California. The study area begins in the city of Marysville and extends upstream approximately 90 miles, past Sierra City, California, in Sierra County. The study area map for the Yuba River Ecosystem Restoration Feasibility Study is enclosed (Enclosure 1).

-2-

Some preliminary measures, potential components of alternatives to be carried forward in NEPA and CEQA analyses, have been identified from previously completed studies. Ensuring consideration of public input in compiling and evaluating a complete set of reasonable potential measures and alternatives is the purpose of the Scoping meetings. Most of the measures being considered thus far focus on aquatic habitat, including riparian forests and wetlands, which have been fragmented, degraded, and/or lost in the study area. The Corps and its non-Federal sponsor are scoping and designing various measures, which will be packaged into alternatives for analysis of their relative merits in addressing the problems and opportunities associated with ecosystem restoration within the study area. These preliminary measures are conceptual in nature, but all contain potential for ecosystem restoration benefits.

Your input is greatly appreciated and may be communicated at a Public Scoping meeting or in writing to the Corps. This information will be used throughout our planning and environmental impact analysis process, especially to:

- a. Further determine the scope of the analysis in the FR & DEIS.
- b. Refine the range of measures and alternatives to be evaluated in the FR & DEIS.
- c. Assist us in selecting the most beneficial and cost effective plan.

Staff from the Corps and YCWA will be on hand at the Public Scoping meetings to accept comments and address questions regarding the proposed project.

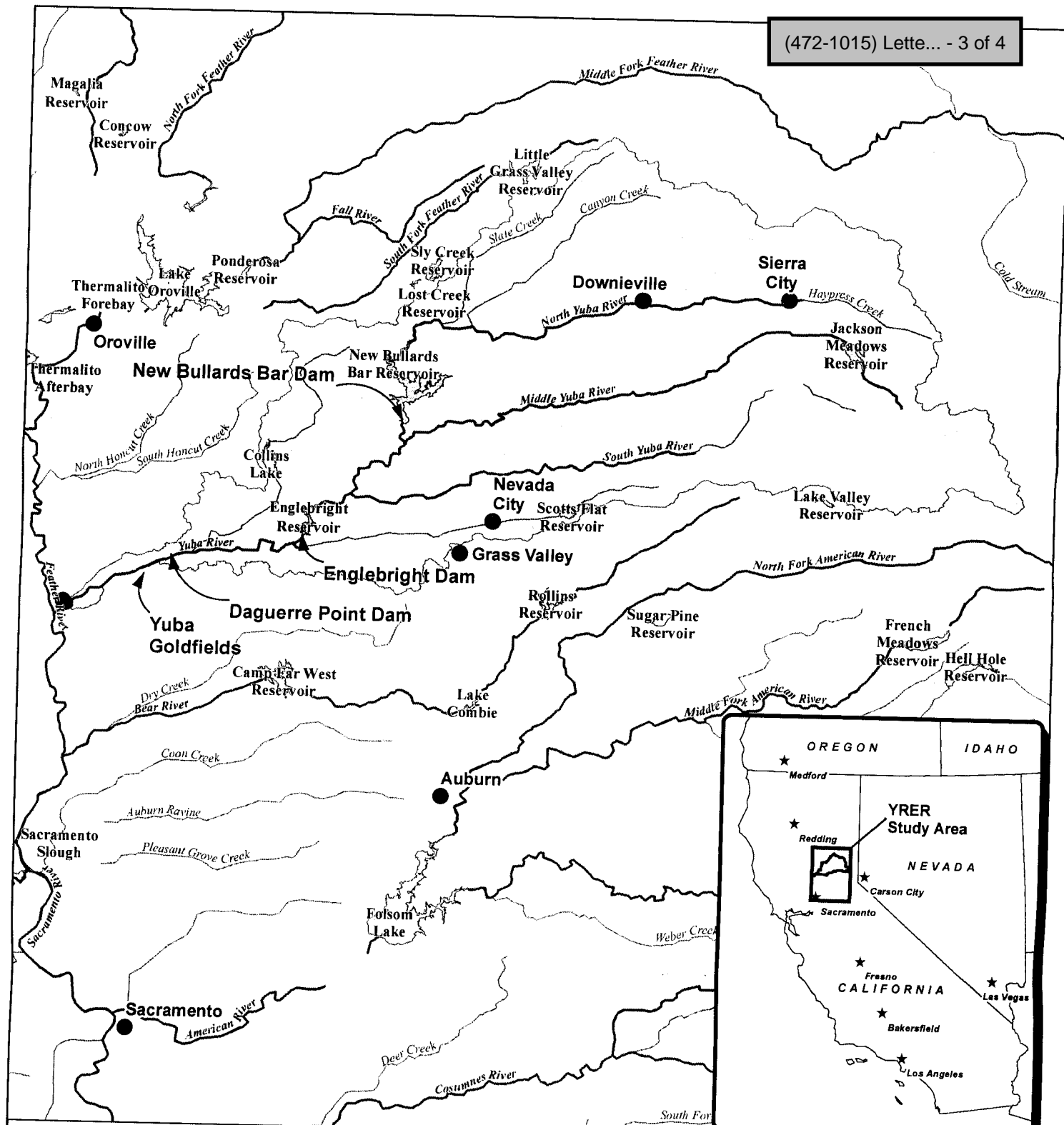
A Notice of Intent to prepare a DEIS pursuant to the National Environmental Policy Act has been published in the Federal Register. The notice is available online at the Federal Register website (<https://www.federalregister.gov/>).

Written comments and suggestions about the Yuba River Ecosystem Restoration Feasibility Study may be addressed to U.S. Army Corps of Engineers, Sacramento District, Attn: Michael Fong, CESP-K-PD-RP, 1325 J Street, Sacramento, CA, 95814-2922 or submitted by e-mail to Michael.R.Fong@usace.army.mil. Requests to be placed on the mailing list should also be sent to this address. For e-mailed comments, please include "Yuba River Ecosystem Restoration Feasibility Study" in the subject line and include the commenter's U.S. Postal Service mailing address.

Sincerely,



Alicia E. Kirchner
Chief, Planning Division



- City
- Lake/Reservoir
- Major River
- Stream/Canal
- Study Area

YUBA RIVER ECOSYSTEM RESTORATION FEASIBILITY STUDY

Scale 1:800,000
0 2.5 5 10 15 20 Miles



THIS PAGE INTENTIONALLY LEFT BLANK

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

Phone - (530) 749-5430 • Fax - (530) 749-5434
915 8th Street, Suite 123
Marysville, California 95901
www.co.yuba.ca.us



1:30 P.M. (470-1... - 1 of 10)

CODE ENFORCEMENT
749-5455 • Fax 749-5464

ENVIRONMENTAL HEALTH • CUPA
749-5450 • Fax 749-5454

HOUSING AND COMMUNITY SERVICES
749-5460 • Fax 749-5464

PLANNING
749-5470 • Fax 749-5434

PUBLIC WORKS • SURVEYOR
749-5420 • Fax 749-5424

FINANCE AND ADMINISTRATION
749-5430 • Fax 749-5434

DATE: October 20, 2015

TO: Board of Supervisors

FROM: Community Development & Services Agency, Code Enforcement Division
Jeremy Strang, Division Manager
Tracie Clark, Code Enforcement Officer

SUBJECT: Accounting Hearing to Determine Costs of Abatement to be Assessed Against Property Located at 4589 Oliverhurst Avenue, Olivehurst, CA and to Authorize Recording an Abatement Lien.

RECOMMENDATION: Confirm the attached Cost Accounting and adopt Findings of Fact, Conclusions of Law and Orders authorizing the assessment of administrative and abatement costs and penalties and the recording of a lien regarding the subject address.

BACKGROUND: On July 17, 2015, a Notice and Order to Abate Public Nuisance [Order] was personally served to the tenants and cultivators, Michele Van Wagoner and Paul Padilla. On July 21, 2015, a duplicate Order was mailed, both via First Class and Certified with Return Receipt, to the property owners of record, The Estate of Frank & Lanita C. Van Wagoner; the owners are deceased. A copy of the Order was also served to an additional identified cultivator, Dennis Arizmendi. The Order required the tenants, cultivators and the property owners to remove code violations consisting of marijuana cultivation in violation of the provisions set forth in Chapter 7.40 of the Yuba County Ordinance Code. A copy of the Notice and Order is attached hereto and marked as Attachment C.

On July 29, 2015, a compliance inspection by Officer Clark confirmed that all of the marijuana had been removed. Neither the tenants, cultivators or the property owners requested a hearing to show cause why the use of the property should not be found to be a public nuisance and abated pursuant to the Notice and Order to Abate Public Nuisance, nor did they request a hearing to challenge the Administrative Penalty imposed. The Demand for Payment for costs and penalties incurred sent to the property owners, tenants and cultivators remains unpaid, the total now being \$62,220.69. Please refer to Attachment A for the Cost Accounting.

The Estate of Frank & Lanita C. Van Wagoner has been given written notice of this Accounting Hearing, a copy of which is attached hereto marked as Attachment B.

DISCUSSION: This hearing has been scheduled to allow evidence and testimony to be presented and heard on the sole questions of whether the accounting of the costs and penalties

reflected in Attachment A are accurate and reasonable and whether such costs and penalties should be assessed and a lien recorded.

COMMITTEE ACTION: None required.

FISCAL IMPACT: Implementing the requested recommendation will facilitate cost recovery and reimbursement of appropriate funds and accounts.

HEARING TO ASSESS PROPERTY AND RECORD
 NOTICE OF ABATEMENT LIEN
 BEFORE THE BOARD OF SUPERVISORS
 OF THE COUNTY OF YUBA

COUNTY OF YUBA,	)	CASE NO.	MMJ15-0173
)		
Plaintiff,	)	RE:	4589 Olivehurst Avenue
	)		Olivehurst, CA
vs.)		
	)	APN:	013-321-017
The Estate of Frank &)		
Lanita C. Van Wagoner	)	FINDINGS OF FACT	
	)	CONCLUSIONS OF LAW	
Defendant.	)	ORDERS OF THE BOARD OF SUPERVISORS	

FINDINGS OF FACT

1. Assessor's Parcel # 013-321-017 is located at 4589 Olivehurst Avenue, Olivehurst, CA 95961, and is owned by The Estate of Frank & Lanita C. Van Wagoner.
2. On July 17, 2015, a Notice and Order to Abate Public Nuisance [Order] was personally served to the tenants and cultivators, Michele Van Wagoner and Paul Padilla. On July 21, 2015, a duplicate Order was mailed, both via First Class and Certified with Return Receipt, to the property owners of record, The Estate of Frank & Lanita C. Van Wagoner; the owners are deceased. A copy of the Order was also served to an additional identified cultivator, Dennis Arizmendi. The Order required the tenants, cultivators and the property owners to remove code violations consisting of: cultivating an excessive amount of marijuana plants, 45 in total; cultivating outdoors and not within an approved accessory building; and cultivating marijuana without first registering with the County.
3. On July 29, 2015, a compliance inspection by Officer Clark confirmed that all of the marijuana had been removed.
4. Neither the tenants, cultivators or the property owners requested a hearing to show cause why the use

of the property should not be found to be a public nuisance and abated pursuant to the Notice and Order to Abate Public Nuisance, nor did they request a hearing to challenge the Administrative Penalty imposed. The Demand for Payment for costs and penalties incurred sent to the property owners, tenants and cultivators remains unpaid.

5. The property owners The Estate of Frank & Lanita C. Van Wagoner were served with written notice of this hearing.
6. A Hearing was held on October 20, 2015 to assess the costs of abating the public nuisances and to determine if the administrative and abatement costs and penalties should be made a lien on said property.
 - (a) A two-page memorandum along with supporting documentation marked as Attachment A (Cost Accounting), Attachment B (Notice of Hearing), and Attachment C (Notice and Order to Abate Public Nuisance) was submitted at the Hearing by Jeremy Strang, Code Enforcement Supervisor.
 - (b) The owners, The Estate of Frank & Lanita C. Van Wagoner were () were not () present.
7. The administrative and abatement costs and penalties incurred total: \$62,220.69.

CONCLUSIONS OF LAW

1. The Estate of Frank & Lanita C. Van Wagoner were properly notified to appear before the Board of Supervisors on October 20, 2015 at 1:30pm to show cause, if any, why the administrative and abatement costs and penalties for the property located at 4589 Olivehurst Ave, Olivehurst, CA, APN 013-321-017, abated pursuant to the Notice and Order to Abate Public Nuisance, should not be assessed against the property and why a Notice of Abatement Lien should not be recorded.
2. The administrative and abatement costs and penalties regarding APN 013-321-017 were properly incurred in the amount of \$62,220.69 and the property and its owner shall bear the costs of same.

ORDERS

1. It is hereby found and ordered that the administrative and abatement costs and penalties to date incurred by the County of Yuba in the amount of \$62,220.69 shall be an assessment against the property located at 4589 Olivehurst Ave, Olivehurst, CA, APN 013-321-017.
2. It is hereby found and ordered that administrative and abatement costs and penalties shall be assessed against the property as provided by Government Code Section 25845 (d) and that a Notice of Abatement Lien of administrative and abatement costs and penalties shall be recorded as authorized by Government Code Section 25845(e).

3. Payment pursuant to these orders shall have 90% of the total amount paid deposited into Trust Account 254-0000-371-98-99 and 10% of the total amount deposited into Trust Account 256-0000-371-98-99.
4. These Orders may be recorded by the Director of Yuba County Community Development & Services Agency.
5. Notice of these Orders shall be mailed with a Proof of Service to the owner of the property.
6. This decision is final. The time within which judicial review of this decision may be sought is governed by California Code of Civil Procedure, Section 1094.6 and the Yuba County Ordinance Code Chapter 1.16. Any petition seeking judicial review must be filed in the appropriate court not later than the 90th day following the date on which this decision was made; however, if within ten (10) days after the decision was made, a request for the record of the proceedings is filed and the required deposit in an amount sufficient to cover the estimated cost of preparation of such record is timely deposited, the time within which such petition may be filed in court is extended to not later than the 30th day following the date on which the record is either personally delivered or mailed to you or your attorney of record.

PASSED AND ADOPTED at the regular meeting of the Board of Supervisors of the County of Yuba held on the 20th day of October 2015, by the following vote:

AYES:

NOES:

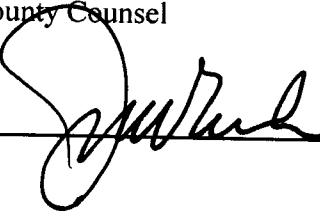
ABSENT:

ABSTAIN:

Chairperson of the Board of Supervisors
County of Yuba, State of California

ATTEST: Donna Stottlemeyer
Clerk of the Board of Supervisors

APPROVED AS TO FORM: Angil Morris-Jones
County Counsel



YUBA COUNTY CODE ENFORCEMENT COST ACCOUNTING

Date: October 20, 2015

Case #: MMJ15-0173

APN: 013-321-017

Owner: Estate of Frank & Lanita C. Van Wagoner
Situs: 4589 Olivehurst Ave, Olivehurst, CA 95961

Date	Reason for Charge	Hours	Total
7/1/2015	Received Complaint, Opened Case	0.5	\$ 73.50
7/15/2015	Research Property Status	0.5	73.50
7/17/2015	Inspection, Two CE Officers	1.5	220.50
7/17/2015	Reinspection	0.5	73.50
7/21/2015	Research Recorded Documents	0.5	73.50
7/23/2015	Reinspection	0.5	73.50
7/29/2015	Reinspection, Verify Compliance	0.5	73.50
7/31/2015	Demand for Payment & Cover Letter Prep & Mailed	0.5	73.50
	Total Staff Hours at \$147.00 per Hour	5.0	\$ 735.00
7/17/2015	Notice and Order to Abate Public Nuisance	FEE	1,470.00
7/29/2015	Administrative Penalty, 12 Days @ \$4,800.00 Per Day	PENALTY	57,600.00
7/29/2015	Notice of Non-Compliance	FEE	147.00
7/29/2015	CDSA Processing Fee, One Document	FEE	73.50
10/20/2015	Cost Accounting Hearing Before BOS	FEE	1,470.00
10/20/2015	Release of Abatement Lien	FEE	147.00
10/20/2015	Notice of Compliance	FEE	147.00
10/20/2015	CDSA Processing Fee, Two Documents	FEE	147.00
10/20/2015	Recordation Fee, Two Documents	FEE	24.00
10/20/2015	CDSA Support Fees (6%)	FEE	260.19
		Total	\$62,220.69

Remit payment & make payable to: CDSA

Attention: Accounts Receivable

Phone: (530)749-5455

Address: 915 8th Street, Suite 123, Marysville CA 95901



The County Of Yuba

Community Development &
Services Agency

CODE ENFORCEMENT

Telephone: (530) 749-5455

Fax: (530) 749-5616

1:30 P.M. (470-1... - 7 of 10)



915 8th Street, Suite 123, Marysville, California 95901

The Estate of Frank & Lanita C Van Wagoner
C/O Michele Van Wagoner
4589 Olivehurst Avenue
Olivehurst, CA 95961

NOTICE OF HEARING TO ASSESS PROPERTY AND RECORD ABATEMENT LIEN

YOU ARE HEREBY NOTIFIED to appear before the Yuba County Board of Supervisors at 915 8th Street, Marysville, California, in the Board of Supervisors Chambers, on October 20, 2015, at the hour of 1:30 p.m., or as soon thereafter as the matter may be heard, to show cause, if any there may be, why the administrative and abatement costs and penalties for the property located at 4589 Olivehurst Ave, Olivehurst, CA, APN 013-321-017, abated pursuant to the Notice and Order to Abate Public Nuisance, should not be assessed against the property and why an abatement lien should not be recorded thereby.

If you fail to appear at the hearing or if you fail to raise any defense or assert any relevant points at the hearing, the County will assert that you have waived all rights to assert such defenses or rights.

At the hearing, you may present evidence and witnesses in your behalf, and you may examine any witnesses who present evidence.

You may appear personally or have a representative appear at the hearing in your behalf and be heard on the sole questions of whether the accounting of the costs and penalties reflected in Attachment A are accurate and reasonable and whether such costs and penalties should be assessed and a lien recorded.

Dated: October 1, 2015

Certified Mail # 7013 3020 0000 6318 0778

Enclosure: Attachment A, Cost Accounting

CODE ENFORCEMENT OFFICER FOR THE
COUNTY OF YUBA

BY: Tracie Clark
Tracie Clark

Attachment B



The County Of Yuba

1:30 P.M. (470-1... - 8 of 10)

Community Development &
Services Agency

CODE ENFORCEMENT

Telephone: (530) 749-5453

Fax: (530) 749-5616



915 8th Street, Suite 123, Marysville, California 95901

NOTICE AND ORDER TO ABATE PUBLIC NUISANCE

MMJ 15-0173

CULTIVATOR(S) ADDRESS:	PROPERTY OWNER: ADDRESS
MICHELE VAN WAGONER DANIEL PROILLA	FRANK & LANITA VAN WAGONER
DENNIS ARIZMENDI 4589 OLIVEHURST AVE OLIVEHURST, CA 95961	4589 OLIVEHURST AVE OLIVEHURST, CA 95961

VIOLATION ADDRESS: 4589 OLIVEHURST AVE OLIVEHURST CA 95961
APN: 013-021-017

PLEASE TAKE NOTICE: that the use and condition of the subject property has been determined by Yuba County Code Enforcement to constitute violations of Chapter 7.40 of the Yuba County Ordinance Code and is therefore declared a public nuisance. The violations are:

- ☒ Yuba County Ordinance Code § 7.40.400(A) ...the cultivation of marijuana in violation of the provisions contained herein or any provisions set forth in Division 10 of the California Health and Safety Code.
- ☒ Outdoor cultivation 7.40.300A
 - ☐ Cultivation w/in dwelling 7.40.300B
 - ☒ Cultivation of more than 12 plants 7.40.300C NUMBER OF PLANTS: 45
 - ☐ Water source/discharges 7.40.300D
 - ☐ Cultivation environment; health, safety, welfare; dust, odor, traffic, chemicals 7.40.300E
 - ☐ Active Code case 7.40.300F
 - ☐ Lack of dwelling 7.40.310
 - ☐ Permitted accessory structure 7.40.320A1
 - ☐ Accessory structure w/in setback 7.40.320A2
 - ☐ Use of extension cord(s) 7.40.320A3
 - ☐ Lack of mechanical filtration system 7.40.320A4
 - ☐ Lack of adequate fence around accessory structure (height; security) 7.40.330
 - ☒ Lack of registration 7.40.340

- ☒ **Yuba County Ordinance Code § 7.40.340** *The cultivation of marijuana without first registering the cultivation and paying the required fee.*
- ☐ **Yuba County Ordinance Code § 7.40.400(B)** *The cultivation of marijuana on a parcel that does not have an occupied, legally established Dwelling.*
- ☒ **Yuba County Ordinance Code § 7.40.400(E)** *The cultivation of marijuana in a manner that exceeds 12 plants*
of plants: 45
- ☐ **Yuba County Ordinance Code § 7.40.400(G)** *Any violation of any Ordinance or State law or any public nuisance defined or known at common law or in equity jurisprudence, including but not limited to the following violations:*
- ☐ Conducting activities on a site which are not permitted uses in the Agricultural/Rural Residential Zone in violation of the Yuba County Ordinance Code, Chapter 12.01 et seq. including utilizing accessory uses without first establishing a primary use
 - ☐ Emplacement and occupancy of a recreational vehicle as a place of human habitation in violation of the Yuba County Ordinance Code, Chapter 10.20
 - ☐ Construction/erection of a building/structure without first obtaining a building permit in violation of the Yuba County Ordinance Code, Chapter 10.05
 - ☐ Accumulation and storage of abandoned, wrecked, dismantled or inoperable vehicles, or parts thereof, in violation of the Yuba County Ordinance Code, Chapter 7.35
 - ☐ Maintaining an environment for the propagation and harborage of vector and vermin by the accumulation and storage of junk, trash and debris in violation of the Yuba County Ordinance Code, Chapter 7.36
 - ☐
 - ☐
 - ☐

YOU ARE HEREBY ORDERED to correct or remove all violations from subject property immediately.

YOU ARE HEREBY ADVISED that Administrative Penalties in the amount of \$4800.00 per day pursuant to Yuba County Code § 7.40.550 have begun to accrue and will continue to accrue until the date compliance with the Order has been met and verified by the Enforcement Officer; you must call this office to schedule an inspection to verify compliance.

If you disagree with the determination that a public nuisance exists on the subject property, you have the right to a hearing to show cause, if any, why the use of said real property should not be found to be a public nuisance and abated pursuant to the Yuba County Code. You may request a hearing by filing a written request for a hearing with the Yuba County Code Enforcement Office, whose address appears above, within 10 calendar days of the date of this Notice. A \$4,116.00 deposit, pursuant to Yuba County Ordinance Code § 13.20.500, shall accompany the written request. Even if you do not request a hearing with respect to the existence of a public nuisance, you may contest the Administrative Penalties by filing a written request for a hearing solely to contest the imposition of the Administrative Penalties. A \$4,116.00 deposit pursuant to Yuba County Ordinance Code § 13.20.500, shall accompany the written request.

If you do not request a hearing and fail to comply with the time requirements set forth, the County will abate the nuisance. If you request a hearing, and after such hearing a public nuisance is found to exist, you shall abate said violations as set forth in the Findings of Fact, Conclusions of Law, and Orders. Furthermore if the County abates the nuisance, you will be responsible for the actual costs of the abatement, and the Administrative

Penalties, if any, which shall be paid within thirty (30) days from the date of the demand for payment. The "cost of abating a violation" shall include, but not be limited to, the county's attorneys' fees, the cost of the administrative hearing, the cost of prior time and expenses associated with bringing the matter to hearing, the cost associated with any appeals from the decision of the administrative hearing, the cost of judicially abating the violation, the cost of men and material necessary to physically abate the violation, and the cost of securing expert and other witnesses.

If such abatement costs are not paid within thirty (30) days of the date of the demand for payment therefore, such costs will become a lien against the subject property and will also be specially assessed against the property in the same manner as taxes. The abatement lien shall be recorded and shall have the same force and effect as an abstract of judgment, which is recorded as a money judgment obtained in a court of law. Special assessments have the same priority, for collection purposes, as other County taxes; and, if not paid, may result in a forced sale of your property.

If there is a hearing, and subject property is found to be in violation of any or all of the provisions stated above, the County will contend that you are bound by such finding at any subsequent and relative judicial action. If you fail to request a hearing, or appear at the hearing and fail to raise any defense or assert any relevant point at the time of hearing, the County will assert, in later judicial proceedings to enforce an order of abatement, that you have waived all rights to assert such defenses or such points.

IMPORTANT: READ THIS NOTICE CAREFULLY. FAILURE TO RESPOND WITHIN THE TIME SET FORTH IN THIS NOTICE WILL LIKELY RESULT IN ADMINISTRATIVE AND/OR JUDICIAL ABATEMENT AND TERMINATION OF USES OF, OR CONDITIONS ON YOUR PROPERTY WHICH THE ENFORCEMENT OFFICER CONTENDS ARE IN VIOLATION OF THE YUBA COUNTY ORDINANCE CODE.

☐ POSTED PROPERTY

☒ PERSONAL SERVICE MICHELE VAN WAGONER DANIEL PADILLA DENNIS ARIZMENDI

☒ CERTIFIED MAIL THE ESTATE OF FRANK & LANITA VAN WAGONER CERT #:

DATED: July 17, 2015 7013 3020 0000 6318 1065



Tracie Clark
Code Enforcement Officer

Encl: Excerpts from Yuba County Ordinance Code, Chapter 7.40, BILLING #647

CC: MICHELE VAN WAGONER
DANIEL PADILLA
DENNIS ARIZMENDI
4589 OLIVEHURST AVE.
OLIVEHURST CA 95961

THE ESTATE OF
FRANK & LANITA VAN WAGONER
4589 OLIVEHURST AVE
OLIVEHURST CA 95961

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

Phone - (530) 749-5430 • Fax - (530) 749-5434
915 8th Street, Suite 123
Marysville, California 95901
www.co.yuba.ca.us



1:30 P.M. (471-1... - 1 of 10)

CODE ENFORCEMENT
749-5455 • Fax 749-5464

ENVIRONMENTAL HEALTH • CUPA
749-5450 • Fax 749-5454

HOUSING AND COMMUNITY SERVICES
749-5460 • Fax 749-5464

PLANNING
749-5470 • Fax 749-5434

PUBLIC WORKS • SURVEYOR
749-5420 • Fax 749-5424

FINANCE AND ADMINISTRATION
749-5430 • Fax 749-5434

DATE: October 20, 2015

TO: Board of Supervisors

FROM: Community Development & Services Agency, Code Enforcement Division
Jeremy Strang, Division Manager
Chris Monaco, Code Enforcement Officer

SUBJECT: Accounting Hearing to Determine Costs of Abatement to be Assessed Against Property Located at 6152 Brophy Road, Marysville, CA and to Authorize Recording an Abatement Lien.

RECOMMENDATION: Confirm the attached Cost Accounting and adopt Findings of Fact, Conclusions of Law and Orders authorizing the assessment of administrative and abatement costs and penalties and the recording of a lien regarding the subject address.

BACKGROUND: On July 7, 2015, the tenant and cultivator Marlin and Hugo Aguilera were personally served with a Notice and Order to Abate Public Nuisance. On July 9, 2015, a duplicate Notice and Order to Abate Public Nuisance was mailed, both by 1st Class and by Certified with Return Receipt to the property owners of record, Nathan J. and Hannah M. Lang. The Notice and Order to Abate ordered both the tenants and the property owners to remove code violations consisting of: cultivating an excessive amount of marijuana plants, 617 total; cultivating outdoors and not within an approved accessory building; and cultivating marijuana without first registering with the County. A copy of the Notice and Order is attached hereto and marked as Attachment C.

On July 8, 2015, a compliance inspection by Officer Monaco, at the request of the cultivator Marlin Aguilera, confirmed that all of the marijuana had been removed. Neither the cultivator or the property owner requested a hearing to show cause why the use of the property should not be found to be a public nuisance and abated pursuant to the Notice and Order to Abate Public Nuisance, nor did they request a hearing to challenge the Administrative Penalty imposed. The Demand for Payment for costs and penalties incurred sent to the property owner and the cultivator remains unpaid, the total now being \$66,854.42.

Nathan J. & Hannah M. Lang have been given written notice of this Accounting Hearing, a copy of which is attached hereto marked as Attachment B.

DISCUSSION: This hearing has been scheduled to allow evidence and testimony to be presented and heard on the sole questions of whether the accounting of the costs and penalties reflected in Attachment A are accurate and reasonable and whether such costs and penalties should be assessed and a lien recorded.

COMMITTEE ACTION: None required.

FISCAL IMPACT: Implementing the requested recommendation will facilitate cost recovery and reimbursement of appropriate funds and accounts.

HEARING TO ASSESS PROPERTY AND RECORD
NOTICE OF ABATEMENT LIEN
BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

COUNTY OF YUBA,	)	CASE NO.	MMJ15-0154
)		
Plaintiff,	)	RE:	6152 Brophy Road
	)		Marysville, CA
vs.)		
	)	APN:	019-200-089
Nathan J. Lang &)		
Hannah M. Lang	)	FINDINGS OF FACT	
	)	CONCLUSIONS OF LAW	
Defendant.	)	ORDERS OF THE BOARD OF SUPERVISORS	

FINDINGS OF FACT

1. Assessor's Parcel # 019-200-089 is located at 6152 Brophy Road, Marysville, CA 95901, and is owned by Nathan J. & Hannah M. Lang.
2. On July 7, 2015, the tenant and cultivator Marlin and Hugo Aguilera were personally served with a Notice and Order to Abate Public Nuisance. On July 9, 2015, a duplicate Notice and Order to Abate Public Nuisance was mailed, both First Class and by Certified with Return Receipt to the property owners of record, Nathan J. and Hannah M. Lang. The Notice and Order to Abate ordered both the tenants and the property owners to remove code violations consisting of: cultivating an excessive amount of marijuana plants, 617; cultivating outdoors and not within an approved accessory building; and cultivating marijuana without first registering with the County.
3. On July 8, 2015, a compliance inspection by Officer Monaco, at the request of the cultivator Marlin Aguilera, confirmed that all of the marijuana had been removed.
4. Neither the cultivator or the property owner requested a hearing to show cause why the use of the property should not be found to be a public nuisance and abated pursuant to the Notice and Order to Abate Public Nuisance, nor did they request a hearing to challenge the Administrative Penalty imposed. The Demand for Payment for costs and penalties incurred sent to both the property owner and the cultivator remains unpaid.
5. The property owners Nathan J. & Hannah M. Lang were served with written notice of this hearing.

6. A Hearing was held on October 20, 2015 to assess the costs of abating the public nuisances and to determine if the administrative and abatement costs and penalties should be made a lien on said property.
 - (a) A two-page memorandum along with supporting documentation marked as Attachment A (Cost Accounting) and Attachment B (Notice of Hearing) and Attachment C (Notice and Order to Abate Public Nuisance) was submitted at the Hearing by Jeremy Strang, Code Enforcement Supervisor.
 - (b) The owners, Nathan J. & Hannah M. Lang were () were not () present.
7. The administrative and abatement costs and penalties incurred totaled: \$66,854.42.

CONCLUSIONS OF LAW

1. Nathan J. & Hannah M. Lang were properly notified to appear before the Board of Supervisors on October 20, 2015 at 1:30 pm to show cause, if any, why the administrative and abatement costs and penalties for the property located at 6152 Brophy Road, Marysville, CA, APN 019-200-089, abated pursuant to the Notice and Order to Abate Public Nuisance, should not be assessed against the property and why a Notice of Abatement Lien should not be recorded.
2. Administrative and abatement costs and penalties regarding APN 019-200-089 were properly incurred in the amount of \$66,854.42 and the property and its owner bear the costs of same.

ORDERS

1. It is hereby found and ordered that the administrative and abatement costs and penalties to date incurred by the County of Yuba in the amount of \$66,854.42 shall be an assessment against the property located at 6152 Brophy Road, Marysville, CA, APN 019-200-089.
2. It is hereby found and ordered that administrative and abatement costs and penalties shall be assessed against the property as provided by Government Code Section 25845 (d) and that a Notice of Abatement Lien of administrative and abatement costs and penalties shall be recorded as authorized by Government Code Section 25845(e).
3. Payment pursuant to these orders shall have 90% of the total amount paid deposited into Trust Account 254-0000-371-98-99 and 10% of the total amount deposited into Trust Account 256-0000-371-98-99.

4. These Orders may be recorded by the Director of Yuba County Community Development & Services Agency.
5. Notice of these Orders shall be mailed with a Proof of Service to the owner of the property.
6. This decision is final. The time within which judicial review of this decision may be sought is governed by California Code of Civil Procedure, Section 1094.6 and the Yuba County Ordinance Code Chapter 1.16. Any petition seeking judicial review must be filed in the appropriate court not later than the 90th day following the date on which this decision was made; however, if within ten (10) days after the decision was made, a request for the record of the proceedings is filed and the required deposit in an amount sufficient to cover the estimated cost of preparation of such record is timely deposited, the time within which such petition may be filed in court is extended to not later than the 30th day following the date on which the record is either personally delivered or mailed to you or your attorney of record.

PASSED AND ADOPTED at the regular meeting of the Board of Supervisors of the County of Yuba held on the 20th day of October 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson of the Board of Supervisors
County of Yuba, State of California

ATTEST: Donna Stottlemeyer
Clerk of the Board of Supervisors

APPROVED AS TO FORM: Angil Morris-Jones
County Counsel

YUBA COUNTY CODE ENFORCEMENT COST ACCOUNTING

Date: October 20, 2015

Case #: MMJ15-0154

APN: 019-200-089

Owner: Nathan J. & Hannah M. Lang

Situs: 6152 Brophy Road, Marysville, CA 95901

Date	Reason for Charge	Hours	Total
7/7/2015	Received Complaint, Opened Case*	0.5	\$ 73.50
7/7/2015	Inspection, Three (3) Officers, 2 Hours each*	6.0	882.00
	Total Staff Hours Billed at \$147.00 per Hour	6.5	\$ 955.50
7/7/2015	Notice and Order to Abate Public Nuisance*	FEE	1,470.00
7/7/2015	Administrative Penalty, 1 Day @ \$62,000 per day*	PENALTY	62,000.00
7/24/2015	Notice of Non-Compliance	FEE	147.00
7/24/2015	CDSA Processing Fee, One Document	FEE	73.50
10/20/2015	Hearing Before the Board of Supervisors	FEE	1,470.00
10/20/2015	Release of Abatement Lien	FEE	147.00
10/20/2015	Notice of Compliance	FEE	147.00
10/20/2015	CDSA Processing Fee, Two Documents	FEE	147.00
10/20/2015	Recordation Fee, Two Documents	FEE	24.00
10/20/2015	CDSA Support Fee (6%)	FEE	273.42
		Total	\$66,854.42

* These costs reflected on the unpaid Demand for Payment (Billing # 638)

Attachment A



The County Of Yuba

Community Development &
Services Agency

CODE ENFORCEMENT

Telephone: (530) 749-5455

Fax: (530) 749-5616

1:30 P.M. (471-1... - 7 of 10)



915 8th Street, Suite 123, Marysville, California 95901

Nathan J. & Hannah M. Lang
P O Box 1682
Oroville, CA 95965

NOTICE OF HEARING TO ASSESS PROPERTY AND RECORD ABATEMENT LIEN

YOU ARE HEREBY NOTIFIED to appear before the Yuba County Board of Supervisors at 915 8th Street, Marysville, California, in the Board of Supervisors Chambers, on October 20, 2015, at the hour of 1:30 p.m., or as soon thereafter as the matter may be heard, to show cause, if any there may be, why the administrative and abatement costs and penalties for the property located at 6152 Brophy Road, Marysville, CA, APN 019-200-089, abated pursuant to the Notice and Order to Abate Public Nuisance, should not be assessed against the property and why an abatement lien should not be recorded thereby.

If you fail to appear at the hearing or if you fail to raise any defense or assert any relevant points at the hearing, the County will assert that you have waived all rights to assert such defenses or rights.

At the hearing, you may present evidence and witnesses in your behalf, and you may examine any witnesses who present evidence.

You may appear personally or have a representative appear at the hearing in your behalf and be heard on the sole questions of whether the accounting of the costs and penalties reflected in Attachment A are accurate and reasonable and whether such costs and penalties should be assessed and a lien recorded.

Dated: October 1, 2015

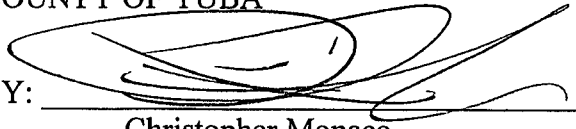
Certified Mail # 7013 3020 0000 6318 0709

Enclosure: Attachment A, Cost Accounting

CC: John & Candy Lang, 3949 Circle J Road, Butte Valley, CA 95965

CODE ENFORCEMENT OFFICER FOR THE
COUNTY OF YUBA

BY:


Christopher Monaco

Attachment B



The County Of Yuba

1:30 P.M. (471-1... - 8 of 10)

Community Development &
Services Agency

CODE ENFORCEMENT

Telephone: (530) 749-5455

Fax: (530) 749-5616



915 8th Street, Suite 123, Marysville, California 95901

NOTICE AND ORDER TO ABATE PUBLIC NUISANCE

MMJ 15-0154

CULTIVATOR(S) ADDRESS:	PROPERTY OWNER: ADDRESS
MARLEN AGUILERA HUGO AGUILERA 6152 BROPHY RD MARYSVILLE, CA 95901	NATHAN J. LANG 574 E. 15TH ST CHICO, CA 95928

VIOLATION ADDRESS: 6152 BROPHY RD, MARYSVILLE, CA 95901

APN: 019-200-089

PLEASE TAKE NOTICE: that the use and condition of the subject property has been determined by Yuba County Code Enforcement to constitute violations of Chapter 7.40 of the Yuba County Ordinance Code and is therefore declared a public nuisance. The violations are:

- ☒ **Yuba County Ordinance Code § 7.40.400(A)** ...the cultivation of marijuana in violation of the provisions contained herein or any provisions set forth in Division 10 of the California Health and Safety Code.
- ☒ Outdoor cultivation 7.40.300A
 - ☐ Cultivation w/in dwelling 7.40.300B
 - ☒ Cultivation of more than 12 plants 7.40.300C NUMBER OF PLANTS: 617
 - ☐ Water source/discharges 7.40.300D
 - ☐ Cultivation environment; health, safety, welfare; dust, odor, traffic, chemicals 7.40.300E
 - ☐ Active Code case 7.40.300F
 - ☐ Lack of dwelling 7.40.310
 - ☐ Permitted accessory structure 7.40.320A1
 - ☐ Accessory structure w/in setback 7.40.320A2
 - ☐ Use of extension cord(s) 7.40.320A3
 - ☐ Lack of mechanical filtration system 7.40.320A4
 - ☐ Lack of adequate fence around accessory structure (height; security) 7.40.330
 - ☒ Lack of registration 7.40.340

☒ **Yuba County Ordinance Code § 7.40.340** *The cultivation of marijuana without first registering the cultivation and paying the required fee.*

☐ **Yuba County Ordinance Code § 7.40.400(B)** *The cultivation of marijuana on a parcel that does not have an occupied, legally established Dwelling.*

☒ **Yuba County Ordinance Code § 7.40.400(E)** *The cultivation of marijuana in a manner that exceeds 12 plants*

of plants: 617

☐ **Yuba County Ordinance Code § 7.40.400(G)** *Any violation of any Ordinance or State law or any public nuisance defined or known at common law or in equity jurisprudence, including but not limited to the following violations:*

- ☐ Conducting activities on a site which are not permitted uses in the Agricultural/Rural Residential Zone in violation of the Yuba County Ordinance Code, Chapter 12.01 et seq. including utilizing accessory uses without first establishing a primary use
- ☐ Emplacement and occupancy of a recreational vehicle as a place of human habitation in violation of the Yuba County Ordinance Code, Chapter 10.20
- ☐ Construction/erection of a building/structure without first obtaining a building permit in violation of the Yuba County Ordinance Code, Chapter 10.05
- ☐ Accumulation and storage of abandoned, wrecked, dismantled or inoperable vehicles, or parts thereof, in violation of the Yuba County Ordinance Code, Chapter 7.35
- ☐ Maintaining an environment for the propagation and harborage of vector and vermin by the accumulation and storage of junk, trash and debris in violation of the Yuba County Ordinance Code, Chapter 7.36
- ☐
- ☐
- ☐

YOU ARE HEREBY ORDERED to correct or remove all violations from subject property immediately.

YOU ARE HEREBY ADVISED that Administrative Penalties in the amount of \$1,200.00 ^{per day} pursuant to Yuba County Code § 7.40.550 have begun to accrue and will continue to accrue until the date compliance with the Order has been met and verified by the Enforcement Officer; you must call this office to schedule an inspection to verify compliance.

If you disagree with the determination that a public nuisance exists on the subject property, you have the right to a hearing to show cause, if any, why the use of said real property should not be found to be a public nuisance and abated pursuant to the Yuba County Code. You may request a hearing by filing a written request for a hearing with the Yuba County Code Enforcement Office, whose address appears above, within 10 calendar days of the date of this Notice. A \$4,116.00 deposit, pursuant to Yuba County Ordinance Code § 13.20.500, shall accompany the written request. Even if you do not request a hearing with respect to the existence of a public nuisance, you may contest the Administrative Penalties by filing a written request for a hearing solely to contest the imposition of the Administrative Penalties. A \$4,116.00 deposit pursuant to Yuba County Ordinance Code § 13.20.500, shall accompany the written request.

If you do not request a hearing and fail to comply with the time requirements set forth, the County will abate the nuisance. If you request a hearing, and after such hearing a public nuisance is found to exist, you shall abate said violations as set forth in the Findings of Fact, Conclusions of Law, and Orders. Furthermore if the County abates the nuisance, you will be responsible for the actual costs of the abatement, and the Administrative

Penalties, if any, which shall be paid within thirty (30) days from the date of the demand for payment. The "cost of abating a violation" shall include, but not be limited to, the county's attorneys' fees, the cost of the administrative hearing, the cost of prior time and expenses associated with bringing the matter to hearing, the cost associated with any appeals from the decision of the administrative hearing, the cost of judicially abating the violation, the cost of men and material necessary to physically abate the violation, and the cost of securing expert and other witnesses.

If such abatement costs are not paid within thirty (30) days of the date of the demand for payment therefore, such costs will become a lien against the subject property and will also be specially assessed against the property in the same manner as taxes. The abatement lien shall be recorded and shall have the same force and effect as an abstract of judgment, which is recorded as a money judgment obtained in a court of law. Special assessments have the same priority, for collection purposes, as other County taxes; and, if not paid, may result in a forced sale of your property.

If there is a hearing, and subject property is found to be in violation of any or all of the provisions stated above, the County will contend that you are bound by such finding at any subsequent and relative judicial action. If you fail to request a hearing, or appear at the hearing and fail to raise any defense or assert any relevant point at the time of hearing, the County will assert, in later judicial proceedings to enforce an order of abatement, that you have waived all rights to assert such defenses or such points.

IMPORTANT: READ THIS NOTICE CAREFULLY. FAILURE TO RESPOND WITHIN THE TIME SET FORTH IN THIS NOTICE WILL LIKELY RESULT IN ADMINISTRATIVE AND/OR JUDICIAL ABATEMENT AND TERMINATION OF USES OF, OR CONDITIONS ON YOUR PROPERTY WHICH THE ENFORCEMENT OFFICER CONTENDS ARE IN VIOLATION OF THE YUBA COUNTY ORDINANCE CODE.

☐ POSTED PROPERTY

☒ PERSONAL SERVICE

☒ CERTIFIED MAIL 7013 3020 0000 6318 0877 # 0884

DATED: 7/7/15



Chris Monaco
Code Enforcement Officer

Encl: Excerpts from Yuba County Ordinance Code, Chapter 7.40

cc: NATHAN J. LANK
574 E 15TH ST
CHICO, CA 95928