



TO: Mayor and Councilmembers

FROM: Luke Rioux, Finance Director

SUBJECT: Approval of Resolution Authorizing IBank Loan for City Hall Acquisition

RECOMMENDATION:

Adopt Resolution No. 20-__ entitled "A Resolution of the City Council of the City of Goleta, California, Approving and Authorizing the Execution of a Financing Lease and Site Lease with the California Infrastructure and Economic Development Bank for the Purpose of Financing of the City Hall Purchase and Improvement Project, and Taking Other Actions Related Therewith."

BACKGROUND:

On December 3, 2019, the City Council authorized the submission of an application to the California Infrastructure and Economic Development Bank ("IBank") to finance the purchase and improvement of certain property to be used as City Hall. IBank provides accessible low-cost financing options for a wide range of infrastructure projects through issuing bonds and lending proceeds to borrowers such as the City. The City Council authorized staff to submit an application to IBank for a financing in the amount of \$10,000,000.

On February 26, 2020, City staff attended the IBank Board Meeting in Sacramento, CA and the City's request of \$10,000,000 was approved at an interest rate of 2.64%, which was approximately 88 basis points lower than the 3.52% that staff anticipated when we presented to Council on December 3, 2019.

Since then, City staff and IBank have been working on negotiating a financing arrangement to finance the costs of City Hall. Final forms of agreements have been negotiated, and the last step in the financing is for the City Council to consider and formally approve the form of such agreements, as well as to authorize staff to take all actions necessary to execute such agreements and effectuate the financing.

DISCUSSION

IBank and City staff have negotiated a lease financing arrangement, which will be accomplished by entering into two agreements: a financing lease, and a site lease. Pursuant to these agreements, the City will lease to IBank, and then lease back, the

property upon which the City Hall and related improvements are located. The City will be required to budget and appropriate, from legally available funds, lease payments to IBank. Lease payments represent the fair rental value of the property, and are due each August 1 and February 1, commencing February 1, 2021. Each February 1 and August 1, the City will have to make an interest payment ranging between a high of \$132,000 and a low of \$6,259.71, depending on how much of the principal amount of the loan has been repaid. On each August 1, the City will also make a principal payment, which ranges from a low of around \$220,000 to a high of \$474,220. On August 1 of each year, the City will also be required to pay the annual fee of 0.3%, which ranges from \$30,000 to \$1,422.66. The maximum total annual payment will be relatively steady and will be \$513,799.39 in the first full year (FY 21/22) and will decrease to approximately \$481,902.50 in the final year (FY 50/51). The term of the agreements is 30 years, with the final payment due on August 1, 2050, and the total amount that will be repaid will be approximately \$15,110,500, including the annual fee, interest, and principal payments.

The proceeds of the loan will be used to reimburse the City for \$10,000,000 worth of the costs for acquiring the City Hall property, which was acquired for \$11.5 Million. The remaining \$1.5 Million was paid for with City funds and is not being reimbursed as a part of this financing.

The financing lease has a number of covenants and obligations with which the City must comply, including post-issuance compliance obligations with respect to disclosure and protecting the tax-exempt status of the underlying funds from which the loan is made. Importantly, the City must ensure that the property continues to be used for a public purpose, and space within the property is not leased to any other person without consultation with tax counsel to ensure compliance with the financing lease.

Upon approval of the attached Resolution and agreements, which are included with the agenda packet and made a part of the record, the City Manager will be authorized to execute the agreements on behalf of the City, and staff will be authorized to take all actions necessary to finalize the transaction. The closing date for the transaction will be immediately, on August 19th.

FISCAL IMPACTS:

By authorizing staff to finalize and execute the agreements, the City will be reimbursed for \$10,000,000 worth of the purchase price of the City Hall property. The City will repay this amount to IBank for a period of 30 years, with annual payments approximately in the amount of \$500,000 per year. Annual payments will be programmed and adjusted in each budget year in accordance to the base rental payment schedule provided in the Financing Lease.

The revised FY 2020/21 budget had programmed \$450,000 for the annual lease payment. This amount was based on a previous draft schedule, which assumed payments starting August 1, 2020. Given the timing of finalizing the agreements, the actual FY 2020/21 payment will be \$117,333.33 for interest only, starting February 1,

2021. This will result in a current year budget savings of approximately \$332,000. The next full year annual payment will be \$513,799.39 starting in FY 2021/22.

ALTERNATIVES:

Council could choose not to adopt the Resolution and direct staff to terminate proceedings for the IBank loan and provide alternative direction. Terminating proceeding with IBank will result in the City's \$10,000,000 expenditure to not be reimbursed and repaid over a 30-year period. Staff will need to evaluate other options that may be available, though this will cause further delays for reimbursement and ongoing impacts to the City's liquidity and cash position. Given the COVID-19 pandemic and impacts to the City's net operating revenue, other options may be limited, and may result in higher borrowing costs.


Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Michael Jenkins
City Attorney


Michelle Greene
City Manager

ATTACHMENTS:

1. Resolution No. 20-__ entitled "A Resolution Of The City Council Of The City Of Goleta, California, Approving And Authorizing The Execution Of A Financing Lease And Site Lease With The California Infrastructure And Economic Development Bank For The Purpose Of Financing Of The City Hall Purchase And Improvement Project, And Taking Other Actions Related Therewith"
2. Financing Lease, by and between the City and IBank, dated as of August 1, 2020
3. Site Lease, by and between the City and IBank, dated as of August 1, 2020

ATTACHMENT 1:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, APPROVING AND AUTHORIZING THE EXECUTION OF A FINANCING LEASE AND SITE LEASE WITH THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE PURPOSE OF FINANCING OF THE CITY HALL PURCHASE AND IMPROVEMENT PROJECT, AND TAKING OTHER ACTIONS RELATED THEREWITH

RESOLUTION NO. 20-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, APPROVING AND AUTHORIZING THE EXECUTION OF A FINANCING LEASE AND SITE LEASE WITH THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE PURPOSE OF FINANCING OF THE CITY HALL PURCHASE AND IMPROVEMENT PROJECT, AND TAKING OTHER ACTIONS RELATED THEREWITH

WHEREAS, the City of Goleta (the “City”) desires to provide for financing in the approximate principal amount of \$10,000,000 for the acquisition of certain property and improvements for City Hall (“City Hall”), and the California Infrastructure and Economic Development Bank (“IBank”) has proposed a thirty year lease financing arrangement at a 2.64% interest rate and 0.30% annual fee for City Hall as further described in the proposed Site Lease and Financing Lease (collectively, the “Lease Agreements”), by and between the City and IBank, the forms of which have been presented to the City Council (the “City Council”) and are on file with the City Clerk; and

WHEREAS, Section 5852.1 of the Government Code of the State of California (“Section 5852.1”) provides that the City Council obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of Lease Agreements, good faith estimates of: (a) the true interest cost of the Lease Agreements, (b) the finance charge of the Lease Agreements, meaning the sum of all fees and charges to be paid to third parties, (c) the amount of proceeds of the Lease Agreements to be received by the City less the finance charge described above and any reserves or capitalized interest to be paid or funded with proceeds of the Lease Agreements and (d) the sum total of all debt service payments on the Lease Agreements calculated to the final maturity of the Lease Agreements plus the fees and charges to be paid to third parties not paid with the proceeds of the Lease Agreements; and

WHEREAS, in accordance with Section 5852.1, the City Council has obtained such good faith estimates from IBank, and such estimates are disclosed in Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FO THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1. Lease Agreements. The City Council hereby approves the Lease Agreements in substantially the forms on file with the City Clerk, subject to non-substantive revisions necessary to finalize the transaction. The Mayor or the City Manager (the “Authorized Officers”) are each hereby authorized to enter into the Lease Agreements in a principal amount which shall not exceed \$10,000,000 with IBank to finance City Hall, subject to approval as to form by the City Attorney. The Authorized Officers are authorized and directed to take all steps and actions which are necessary

to accomplish execution of the Lease Agreements pursuant to the authorization given by and the conditions specified in this Resolution. The Authorized Officers are authorized to execute the Lease Agreements on behalf of the City.

SECTION 2. Attestations. The City Clerk or other appropriate City officer is hereby authorized and directed to attest the signature of the Mayor, the City Manager, or of such other person or persons as may have been designated by the Mayor or City Manager, and to affix and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Lease Agreements.

SECTION 3. Other Actions. The Mayor, the City Manager, and other officers of the City are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Lease Agreements. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its passage.

SECTION 5
The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 18th day of August 2020.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MICHAEL JENKINS
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)
CITY OF GOLETA) ss.

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 20-50 was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 18th day of August, 2020, by the following roll call vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

Exhibit A
Good Faith Estimates

(A) The true interest cost of the bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds	2.64%
(B) The finance charge of the bonds, which means the sum of all fees and charges paid to third parties	\$0
(C) The amount of proceeds received by the public body for sale of the bonds less the finance charge of the bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the bonds	\$10,000,000
(D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the bonds plus the finance charge of the bonds described in subparagraph (B) not paid with the proceeds of the bonds. The total payment amount shall be calculated to the final maturity of the bonds	\$15,110,495.49

ATTACHMENT 2

**FINANCING LEASE
BY AND BETWEEN THE CITY AND IBANK
DATED AS OF AUGUST 1, 2020**

Recording Requested By and Return To:

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK
Attention: Loan Servicing Manager
1325 J Street, 13th Floor
Sacramento, CA 95814

This document is recorded for the benefit of the CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK and the recording is fee-exempt under section 27383 of the California Government Code.

FINANCING LEASE

by and between the

**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

and the

CITY OF GOLETA

Agreement No. ISRF 21-136

Dated as of August 1, 2020

FINANCING LEASE

THIS FINANCING LEASE is dated as of August 1, 2020, by and between the CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (the “Lessor” (as defined in Section 1.01) or “IBank”), duly organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (the “Act,” as defined in Section 1.01) and CITY OF GOLETA, a municipal corporation duly organized and existing under the laws of the State of California (the “Lessee,” as defined in Section 1.01). The Lessor and Lessee are hereinafter at times collectively referred to as the “Parties” and individually as a “Party.” Terms and words used herein with their initial letter, or letters, capitalized shall have the meanings set forth in Section 1.01 of this Agreement, or the meanings set forth in this paragraph, as applicable.

W I T N E S S E T H:

WHEREAS, the Lessee desires to finance its prior acquisition of the Site;

WHEREAS, the Lessee owns the Site, commonly known as 130 Cremona Drive, Goleta, California, and more particularly described in Exhibit A to the Site Lease. The Site, together with any future improvements thereon constitute the Leased Asset;

WHEREAS, the Lessee has leased the Site to the Lessor pursuant to the Site Lease, dated as of the Effective Date, between the Lessee, as lessor and the Lessor, as lessee;

WHEREAS, the Lessee has determined that it is in the public interest, convenience and welfare and for the common benefit of the inhabitants of the Lessee that the Lessee finance the acquisition of the Site through the delivery of this Financing Lease;

WHEREAS, the Lessee is authorized by law to lease the Leased Asset and the lease of the Leased Asset is necessary and proper for public purposes;

WHEREAS, the Lessor has issued and may issue additional Proceeds Bonds, the proceeds of which may be used to provide all or a portion of the Financing Funds;

WHEREAS, the Lessor may pledge its rights, including the rights to receive payments, under this Financing Lease to secure the Secured Bonds that it has issued or may issue for the benefit of its programs;

WHEREAS, the Lessee acknowledges that the issuance or existence of both the Secured Bonds and Proceeds Bonds impacts its rights and obligations as described herein; and

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH THE PARTIES HEREBY ACKNOWLEDGE, THE PARTIES HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION, AND CONDITIONS PRECEDENT

SECTION 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section and elsewhere in this Financing Lease shall, for all purposes hereof and of any amendment hereof, have the meanings set forth herein. The following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Act” means the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing at section 63000 thereof) as now in effect and as it may from time to time hereafter be amended.

“Additional Rental Payments” means all amounts payable by the Lessee pursuant to Section 3.01(b).

“Amortization Schedule” means that certain schedule of Base Rental Payments attached hereto as Exhibit E.

“Amortization Terms” shall have the meaning set forth in Section 3.01(a).

“Annual Fee” means the fee due to the Lessor on an annual basis as determined pursuant to Section 3.01(b)(1).

“Authorized Prepayment Period” has the meaning set forth in Section 3.05.

“Base Rental Payments” means all amounts payable by the Lessee as Base Rental pursuant to Section 3.01(a).

“Business Day” means any day, Monday through Friday, which is not a legal holiday of the State or the Trustee.

“Certificate of the Lessee” means a written request or certificate signed by a duly authorized representative of the Lessee.

“Claim” has the meaning set forth in Section 7.01.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of the Treasury issued thereunder, and in this regard reference to any particular section of the Code shall include reference to all successors to such section of the Code.

“Criteria” means the “Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the Infrastructure State Revolving Fund (ISRF) Program” adopted by the IBank Board of Directors on February 23, 2016, as may thereafter be amended from time to time.

“Current Guidelines” has the meaning set forth in Section 6.16.

“Current Revenues” means revenues that are both received by the Lessee and utilized for the payment of Rental Payments under the Financing Lease within a six month period.

“Damaged Improvements” has the meaning set forth in Section 4.06.

“Debt Service” means, for any Fiscal Year, all Rental Payments due and payable during such Fiscal Year under this Financing Lease, together with all principal, interest, or other payments due and payable by the Lessee during such Fiscal Year under any loan, bond, note, advance, installment sale agreement, certificate of participation, financing lease, capital lease, equipment lease, or other evidence of indebtedness to which the Lessee is a primary obligor, secondary obligor, guarantor or surety.

“Effective Date” means the date on which this Financing Lease is last executed, as set forth on the signature page hereto, and is the date this Financing Lease becomes effective and binding on the Lessor and the Lessee, subject to this Agreement’s terms and conditions.

“Event of Default” means any of the events described in Section 7.02.

“Expiry Date” means August 1, 2050, except as extended or sooner terminated pursuant to Section 3.09.

“Financed Property” has the meaning set forth in Section 4.03.

“Financing Funds” means moneys in the amount of \$10,000,000.00 provided by the Lessor to the Lessee pursuant to this Financing Lease to pay a portion of the costs of acquiring the Site.

“Financing Lease” means this financing lease, dated as of July 1, 2020, by and between the Lessor and the Lessee, as originally executed and as it may from time to time be amended or supplemented in accordance with the terms hereof.

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

“Governmental Unit” means any state, or political subdivision of a state, but excludes the United States and its agencies or instrumentalities.

“Independent Accountant” means any certified public accountant or firm of certified public accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Lessee who, or each of whom:

- (1) is in fact independent and not under the direct or indirect control of the Lessee or the Lessor;

- (2) does not have any substantial interest, direct or indirect, in the Lessee or the Lessor; and
- (3) is not connected with the Lessee or the Lessor as an officer, director, or employee of the Lessee or the Lessor, but who may be regularly retained to make reports to the Lessee or the Lessor.

“Independent Consultant” means any engineer, geologist, or architect, or firm of engineers, geologists, or architects, duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Lessee who, or each of whom:

- (1) is in fact independent and not under the direct or indirect control of the Lessee or the Lessor;
- (2) does not have any substantial interest, direct or indirect, in the Lessee or the Lessor; and
- (3) is not connected with the Lessee or the Lessor as an officer, director, or employee of the Lessee or the Lessor, but who may be regularly retained to make reports to the Lessee or the Lessor.

“Insurance Consultant” means an individual or firm either retained by the Lessee as an independent insurance consultant or an employee of the Lessee, experienced in the field of risk management.

“Insured Peril” has the meaning set forth in Section 4.06.

“Investment Property” means any security or obligation, any annuity contract, or any other investment-type property, but does not include any Tax Exempt Obligation unless such obligation is a “specified private activity bond” within the meaning of section 57(a)(5)(C) of the Code.

“IRS” has the meaning set forth in Section 6.16.

“Leased Asset” means the Site together with any future improvements, additions, or accretions thereto. The Leased Asset may be changed from time to time by Release or Substitution as set forth in Section 2.06.

“Lease Year” means the period from each July 1 to and including the following June 30, during the term hereof; except that the initial Lease Year means the period from the Effective Date to and including June 30, 2021 and the last Lease Year shall be that period from July 1 to and including the day that this Financing Lease expires or is earlier terminated as provided herein.

“Lessee” means the City of Goleta, a municipal corporation duly organized and existing under the laws of the State, and its permitted successors and assigns.

“Lessor” means the California Infrastructure and Economic Development Bank, and its successors and assignees.

“Lessor Fiscal Year” means any twelve month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive.

“Liquidated Damages Charge” has the meaning set forth in Section 3.01(b)(4).

“Liquidated Damages Period” has the meaning set forth in Section 6.03(f).

“Maximum Rate” has the meaning set forth in Section 8.19.

“Net Proceeds” means, collectively, the net proceeds of any insurance or condemnation award resulting from any damage or destruction of any portion of the Leased Asset payable in accordance with Section 4.06.

“Nonexempt Person” means any Nongovernmental Person that is not an organization described in section 501(c)(3) of the Code acting in a capacity that is not an unrelated trade or business as defined in section 513(a) of the Code.

“Nongovernmental Persons” means any person or entity other than a Governmental Unit.

“Obligations” has the meaning set forth in Section 4.03(a)(1).

“Operating Budget” means the annual approved budget of the Lessee for the Lessee’s fiscal year.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Lessee and approved by the Lessor or appointed by the Lessor and in all cases paid for by the Lessee and acceptable to the Lessor, in its sole and absolute discretion.

“Origination Fee” has the meaning set forth in Section 3.01(e).

“Owner” means the registered owner of any outstanding Proceeds Bond.

“Payment Account” means the funds or accounts (or any portions of any funds or accounts) that will hold monies that the Lessee expects to use to pay Rental Payments under the Financing Lease.

“Permitted Encumbrances” means, as of any particular time:

- (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to Section 4.02, permit to remain unpaid;
- (2) this Financing Lease and the Site Lease, as they may be amended from time to time;

- (3) any right or claim of any mechanic, laborer, materialman, supplier or vendor, or any other “claimant” as defined in Civil Code Section 8004, that has not been perfected prior to the Effective Date or that has not been filed in the manner prescribed by law;
- (4) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, which exist of record as of the Effective Date and have been consented to in writing by the Lessor in its sole and absolute discretion; and
- (5) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, established following the date of recordation of this Financing Lease and to which the Lessor has consented to in writing in its sole and absolute discretion and to which the Lessee has consented to in writing.

“Phase I Environmental Site Assessment” means an investigation of the environmental condition of the Site, including all improvements and real property as well as surrounding improvements and real property, to determine the possibility of contamination, based on visual observation, interviews with knowledgeable persons, and the review of records and databases, in a manner consistent with the current standards and practices employed typically by State Registered Environmental Assessors, or other professionals licensed in the State as engineers or geologists, performing environmental assessments in the same general geographic location as the Leased Asset.

“Phase II Environmental Site Assessment” means the in situ sampling and laboratory analysis of any contamination discovered in connection with a Phase I Environmental Site Assessment, in a manner consistent with the current standards and practices employed typically by State Registered Environmental Assessors, or other professionals licensed in the State as engineers or geologists, performing environmental assessments in the same general geographic location as the Leased Asset.

“Preliminary Costs” means architectural, engineering, surveying or soil testing costs, reports such as environmental impact reports, Phase I or Phase II Environmental Site Assessments, feasibility studies, rate studies and CEQA reports, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, but not land acquisition, site preparation or similar costs incident to the commencement of construction.

“Prepayment Agreement” has the meaning set forth in Section 3.05.

“Prepayment Request” means any written request of the Lessee to prepay all or a portion of the principal component of the Base Rental Payments.

“Prior Guidelines” has the meaning set forth in Section 6.16.

“Prior Guidelines Service Providers” has the meaning set forth in Section 6.16.

“Proceeds Bonds” means bonds issued or to be issued by the Lessor, the proceeds of which may be used, in whole or part, to provide Financing Funds.

“Prohibited Prepayment Period” has the meaning set forth in Section 3.05.

“Reconstruction” has the meaning set forth in Section 4.06(a)(1).

“Reimbursement Resolution” has the meaning set forth in Section 6.16(b).

“Release” means the release of all or a portion of the Leased Asset from the leasehold hereof as provided in Section 2.06.

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

“Replacement Lease Covenant” has the meaning set forth in Section 6.06.

“Report” means a written document signed by an Independent Consultant or an Independent Accountant, and including:

- (1) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Financing Lease to which such Report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

“Reporting Covenants” has the meaning set forth in Section 6.03(f).

“Revised Amortization Schedule” shall have the meaning set forth in Section 3.01(a)(3).

“Secured Bonds” means bonds of one or more series issued or to be issued by the Lessor to which certain rights of the Lessor under this Financing Lease, including the right to receive Base Rental Payments, may be from time to time pledged or assigned directly or indirectly as security for such bonds.

“Service Contract” has the meaning set forth in Section 6.16.

“Service Provider” has the meaning set forth in Section 6.16.

“Site” means the real property described in Exhibit A of the Site Lease, together with any improvements thereon as of the Effective Date.

“Site Lease” means the site lease, dated as of July 1, 2020, by and between the Lessee, as lessor and the Lessor, as lessee, of the Site as originally executed and as it may from time to time be amended or supplemented.

“State” means the State of California.

“Substituted Property” has the meaning set forth in Section 2.06(a).

“Substitution” has the meaning set forth in Section 2.06(a).

“Tax Exempt Obligation” means any obligation the interest on which is excluded from gross income for federal income tax purposes pursuant to section 103 of the Code or section 103 of the Internal Revenue Code of 1954, as amended, and Title XIII of the Tax Reform Act of 1986, as amended, as well as stock in a regulated investment company to the extent at least ninety-five percent (95%) of income to the stockholder is treated as interest that is excludable from gross income under section 103 of the Code.

“Trustee” means the trustee acting in its capacity as such in connection with any Proceeds Bonds or Secured Bonds, or any successor or assignee as therein provided, including the Lessor.

SECTION 1.02 Rules of Construction.

The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. All references herein to “Sections” and other subdivisions hereof are to the corresponding Sections or subdivisions of this Financing Lease as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Financing Lease as a whole and not to any particular Section or subdivision hereof. The Lessor and Lessee, and each of their counsel, participated in negotiating and drafting this Financing Lease. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Financing Lease.

SECTION 1.03 Conditions Precedent.

The Lessor shall have no obligation under this Financing Lease, until the following conditions precedent have, in the Lessor’s reasonable discretion, been satisfied fully.

(a) The Lessor shall have received three (3) copies of each of this Financing Lease and the Site Lease bearing the Lessee’s original signature and Lessor shall have counter-signed this Financing Lease and the Site Lease and provided a copy of this Financing Lease and the Site Lease bearing its signature to the Lessee.

(b) The Lessor shall have received a copy of a resolution duly adopted by the Lessee’s governing body approving entry into this Financing Lease and the Site Lease in form and content acceptable to the Lessor, a copy of which shall be attached hereto as Exhibit C.

(c) The Lessor shall have received an originally executed copy of an opinion of the Lessee's legal counsel in form and content substantially similar to the Form of Opinion of Legal Counsel to the Lessee attached hereto as Exhibit F.

(d) The Lessee shall have paid to the Lessor the Origination Fee.

(e) The Lessee shall have provided evidence satisfactory to the Lessor, in its sole and absolute discretion, that beginning in a point in time prior to the Effective Date of the Site Lease and continuing to the Effective Date of this Financing Lease, the Lessee holds fee title as to Parcel One of the Leased Asset (as described in Exhibit B hereto) and an easement as to Parcel Two of the Leased Asset (as described in Exhibit B hereto), subject only to exceptions reasonably acceptable to the Lessor.

(f) The Lessor shall have received satisfactory evidence that this Financing Lease and the Site Lease have been duly recorded in the real property records of the county in which the Leased Asset is located and that the title insurance policy required under Section 4.05 hereof has been issued in favor of the Lessor.

ARTICLE II

THE LEASED ASSET

SECTION 2.01. Lease of the Leased Asset.

The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the Leased Asset on the conditions and terms hereinafter set forth. The Lessee hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Leased Asset for public purposes so as to afford the public the benefits contemplated hereby and so as to permit the Lessor to carry out its agreements and covenants contained herein, and the Lessee hereby further agrees and covenants that during the term hereof that it will not abandon or vacate the Leased Asset.

SECTION 2.02. Quiet Enjoyment.

The Parties hereto mutually covenant that the Lessee, so long as it observes and performs the agreements, conditions, covenants and terms required to be observed or performed by it contained herein and is not in default hereunder, shall at all times during the term hereof peaceably and quietly have, hold and enjoy the Leased Asset without suit, trouble or hindrance from the Lessor.

SECTION 2.03. Right of Entry and Inspection.

The Lessor shall have the right to enter the Leased Asset, and any part thereof, and inspect the Leased Asset, and any part thereof, during reasonable business hours (and in emergencies at all times) for any purpose connected with the Lessor's rights or obligations hereunder and for all other lawful purposes. Should Lessor seek entry during non-business hours related to emergencies, Lessor shall, to the extent practicable, first provide notice in writing to Lessee.

SECTION 2.04. Prohibition Against Encumbrance or Sale.

The Lessee and the Lessor will not create, suffer to be created, or assume, any mortgage, pledge, lien, charge or encumbrance upon the Leased Asset except for Permitted Encumbrances. The Lessee and the Lessor will not sell or otherwise dispose of the Leased Asset or any property or equipment essential to the proper use, occupancy, and operation of the Leased Asset except as otherwise provided herein. Notwithstanding anything to the contrary herein contained, the Lessee may assign, transfer, sublease, grant a license to use, or otherwise convey an interest or right in any and all of the Leased Asset or its other rights hereunder, provided that (a) the Lessor has, in its reasonable discretion, consented in writing to such assignment, transfer, sublease, license, or other conveyance, and all material terms thereof, (b) the Lessor has approved the instrument evidencing any such assignment, transfer, sublease, license, or other conveyance, (c) the rights of any assignee, transferee, sublessee, licensee, or conveyee shall be at all times subject and subordinate to all rights of the Lessor hereunder, (d) no such assignment, transfer, sublease, license, or conveyance shall relieve the Lessee of any of its obligations hereunder, (e) the assignment, transfer, sublease, license, or conveyance shall not result in a breach of any representation, warranty, or covenant of the Lessee contained in any other Section hereof, (f) any such assignment, transfer, sublease, license, or conveyance shall by its terms expressly provide that the fair rental value of the Leased Asset for all purposes shall be first allocated to this Financing Lease, as the same may be amended from time to time before or after any such assignment, transfer, sublease, license, or conveyance, (g) any such assignment, transfer, sublease, license, or conveyance shall not affect the tax status of any Proceeds Bonds or Secured Bonds and (h) no such assignment, transfer, sublease, license, or conveyance shall confer upon the parties thereto any remedy which allows reentry upon the Leased Asset unless concurrently with granting such remedy the same shall be also granted hereunder by an amendment to this Financing Lease which in all instances be deemed prior to and superior to any such assignment, transfer, sublease, license, or conveyance.

SECTION 2.05 Liens.

The Lessee shall pay or cause to be paid when due all sums of money that may become due, or purporting to be due, for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the Lessee in, upon, about or relating to the Leased Asset and shall keep the Leased Asset free of any and all liens against the Leased Asset or the Lessor's interest therein. The Lessee shall give the Lessor written notice immediately upon the commencement of work, or the delivery of equipment or materials, in connection with any construction or installation of improvements on or about the Leased Asset. The written notice may be given by providing the Lessor with a copy of a "Notice to Proceed" transmitted by the Lessee to its direct contractor, or any similar written instrument transmitted by the Lessee authorizing its direct contractor to commence work or the delivery of equipment or materials. In the event any such lien attaches to or is filed against the Leased Asset or the Lessor's interest therein, and the enforcement thereof is not stayed or if so stayed such stay thereafter expires, the Lessee shall cause each such lien to be fully discharged and released, or provide adequate Bond Coverage (defined below), on or before the time the performance of any obligation secured by any such lien matures or becomes due. For purposes of this Section 2.05 only, "Bond Coverage" shall mean either (i) a cash bond in an amount the Lessor deems sufficient in its reasonable discretion held in reserve by the Lessee exclusively for the satisfaction of the lien(s); or (ii) a

bond or bonds in the amount required by statute to cause the release of the lien(s) issued by good and sufficient corporate sureties as required by statute, and as otherwise reasonably acceptable to the Lessor. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the Lessee shall forthwith, but in no event in less than thirty (30) days, pay and discharge or cause to be paid and discharged such judgment. In the event the Lessee fails to pay and discharge, or cause to be paid and discharged, any such judgment as set forth herein, the Lessor may, but is not obligated to, pay and discharge, or cause to be paid and discharged, any such judgment and the Lessee shall within thirty (30) days reimburse to the Lessor any costs incurred by the Lessor in connection therewith, including, but not limited to, the Lessor's attorney's fees (including, but not limited to, the fees of the Lessor's in-house counsel, outside counsel, or the California Attorney General's Office) and any surety bond premium.

SECTION 2.06 Substitution or Release of Leased Asset.

(a) The Lessee and the Lessor may amend this Financing Lease to (i) substitute alternative real and personal property and/or improvements (the "Substituted Property") for the real and personal property and improvements comprising the Leased Asset (a "Substitution") or (ii) remove real property (including undivided interests therein), personal property, or improvements from the definition of Leased Asset ("Release"), in each case upon compliance with all of the conditions set forth in subsection (b). After a Substitution or Release, the part of the Leased Asset for which the Substitution or Release has been effected shall be released from the leasehold hereunder.

(b) No Substitution or Release shall take place hereunder until the Lessee delivers to the Lessor the following:

(1) A Certificate of the Lessee containing a description of all or part of the Leased Asset to be released and, in the event of a Substitution, a description of the Substituted Property constituting the Substitution;

(2) A Certificate of the Lessee stating that the annual fair rental value of the Leased Asset after a Substitution or Release, in each year during the remaining term of this Financing Lease, is at least equal to the maximum annual Base Rental Payments and Additional Rental Payments attributable to the Leased Asset during the remaining term of this Financing Lease. Annual fair rental value shall be determined by the Lessee on the basis of an appraisal of the Leased Asset after said Substitution or Release conducted by a member of the American Institute of Real Estate Appraisers or the American Society of Appraisers, or an appraiser otherwise acceptable to the Lessor in its reasonable discretion, designated by the Lessee and approved in writing by the Lessor in its reasonable discretion (or on such other basis and with such other evidence of annual fair rental value as may be approved by the Lessor, in writing, in its reasonable discretion). Said Certificate shall attach a copy of such appraisal or other evidence of fair rental value;

(3) An opinion of legal counsel, in a form and content satisfactory to the Lessor in its reasonable discretion, to the effect that the Financing Lease and Site Lease amendment documenting the Substitution or Release have been duly authorized, executed and

delivered by the Lessee and constitute the valid and binding obligations of the Lessee enforceable in accordance with their terms;

(4) In the event of a Substitution, a policy of title insurance in form and content acceptable to the Lessor in its reasonable discretion covering the Substituted Property in an amount at least equal to the proportionate share of the Base Rental Payments and Additional Rental Payments represented by the Substitution, insuring the Lessor's interest in the Substituted Property, with a level of coverage comparable to that provided for the Leased Asset, subject to Permitted Encumbrances;

(5) In the event of a Substitution, an opinion of legal counsel of the Lessee, or endorsement by a title company, each in a form and content acceptable to the Lessor, to the effect that the exceptions, if any, contained in the title insurance policy referred to in (4) above do not interfere with the beneficial use and occupancy of the Substituted Property described in such policy by the Lessee for the purposes of leasing or using the Substituted Property;

(6) An Opinion of Counsel, nationally recognized as having expertise in the exemption of interest from gross income under the Code, that the Substitution or Release does not cause the interest with respect to any Proceeds Bonds that were the source of part or all of the Financing Funds, or any Secured Bonds, to be includable in gross income of the Owners thereof for federal income tax purposes;

(7) In the event of a Release, an endorsement to the Lessor's policy of title insurance for the Leased Asset in a form and content satisfactory to the Lessor in its reasonable discretion ensuring that such Release is valid and legal and does not alter, effect, or diminish the Lessor's right, title, interest, or priority in the remaining portion of the Leased Asset; and

(8) In the event of a Substitution, a Certificate of the Lessee stating that the Lessee has complied with the covenants contained in subsections (1) and (2) of Section 4.03(a) hereof with respect to the Substituted Property.

(c) No Substitution or Release shall be effective until the Lessor has acknowledged, in writing, that the foregoing conditions to such Substitution or Release have been met and the Parties have amended the Site Lease and this Financing Lease to reflect such Substitution or Release.

SECTION 2.07 Site Possession and Future Improvement.

(a) The Lessee agrees to take full beneficial use and occupancy of the Leased Asset on or before the Effective Date and to maintain full beneficial use and occupancy of the Leased Asset throughout the term of this Financing Lease

(b) In the event the Lessor is served with a stop payment notice in connection with any improvement to the Leased Asset, the Lessee shall within thirty (30) days cause such stop payment notice to be discharged or released, whether by payment of the sum requested in such stop payment notice, by procurement of a stop payment notice release bond, or by any other legally available means.

SECTION 2.08 Disbursement.

The Lessor shall disburse to the Lessee the entire Financing Funds amount within ten business days of satisfaction of all conditions precedent to the Lessor's obligations under this Financing Lease set forth in Section 1.03, which Financing Funds the Lessee covenants and agrees will be applied solely to the acquisition of the Site. Notwithstanding the foregoing, the Lessee covenants and agrees to satisfy said conditions precedent within 180 calendar days of the Effective Date.

SECTION 2.09 Use of the Leased Asset.

The Lessee will not use, operate, occupy, or maintain the Leased Asset improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The Lessee shall provide all permits and licenses, if any, necessary for the operation, use, and/or occupancy of the Leased Asset. In addition, the Lessee agrees to comply in all respects (including, without limitation, with respect to the use, occupancy, maintenance and operation of each portion of the Leased Asset) with all laws of the jurisdictions in which its operations involving any portion of the Leased Asset may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Asset; provided, that the Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor in its reasonable discretion, adversely affect the estate of the Lessor in and to the Leased Asset or its interest or rights hereunder.

SECTION 2.10 *Reserved.*

SECTION 2.11. Disclaimer of Warranties.

THE LESSOR MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED ASSET, OR WARRANTY WITH RESPECT THERETO. THE LESSEE ACKNOWLEDGES THAT THE LESSOR IS NOT A BUILDER OR MANUFACTURER OF ANY PORTION OF THE LEASED ASSET OR A DEALER THEREIN, THAT THE LESSEE LEASES THE LEASED ASSET AS-IS, AFTER INVESTIGATION, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE LESSEE. In no event shall the Lessor or its successors or assignees be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Financing Lease or the existence, furnishing, functioning or the Lessee's use of the Leased Asset as provided hereby.

ARTICLE III

FINANCING LEASE TERMS

SECTION 3.01. Rental Payments.

The Lessee agrees to pay to the Lessor, its successors or assignees, without deduction or offset of any kind, as rental for the use and occupancy of the Leased Asset, the following amounts at the following times:

(a) Base Rental Payments.

The Lessee shall pay to the Lessor rental hereunder as Base Rental Payments with respect to the Leased Asset at the times and in the amounts set forth in the Amortization Schedule. The Lessor shall calculate the Amortization Schedule based on (i) the Financing Funds amount, (ii) the initial term of this Financing Lease as set forth in Section 3.09 hereto, and (iii) an interest rate of two and sixty four one-hundredths percent (2.64%) (collectively, the "Amortization Terms") and shall attach the Amortization Schedule as Exhibit E hereto upon the Effective Date. Interest shall commence to accrue hereunder on August 21, 2020 as set forth in the Amortization Schedule. All payments of interest shall be computed on the basis of a 360-day year of 12 30-day months. In the absence of manifest error, the Amortization Schedule shall be final, conclusive, and binding on the Lessee.

(1) The Lessee shall make bi-annual payments to the Lessor of the Base Rental Payments due in the then current fiscal year (as set forth in the Amortization Schedule), in accordance with instructions provided in the Lessor's invoices not later than February 1 and August 1 of such year commencing February 1, 2021. Provided, however, the Lessee's failure to receive an invoice shall not relieve it of its obligation to make the payments required herein. The Base Rental Payments as set forth in the Amortization Schedule shall be for the right to use and occupy the Leased Asset for the preceding six-month period, or portion thereof.

(2) Base Rental Payments shall consist of both an interest component and a principal component based on the total amount of Financing Funds. Interest shall accrue on the outstanding principal balance, whether or not disbursed, as set forth in the Amortization Schedule.

(3) The Lessor may, in its sole and absolute discretion, revise the Amortization Schedule (a "Revised Amortization Schedule") subsequent to the Effective Date to (i) correct a computational error in the prior Amortization Schedule, (ii) account for any abatement of Base Rental Payments, or (iii) account for any partial prepayment permitted under Section 3.05. Any Revised Amortization Schedule shall be calculated (i) such that the Lessor will receive the aggregate sum of all principal and interest Base Rental Payments it would have received had the Amortization Schedule been calculated correctly based on the Amortization Terms with interest commencing to accrue on August 21, 2020, (ii) to account for the duration of any abatement period, or (iii) to account for any partial prepayment, as applicable. The Revised Amortization Schedule shall be incorporated herein automatically upon its completion by the

Lessor and in the absence of manifest error any such Revised Amortization Schedule shall be final, conclusive, and binding on the Lessee.

(b) Additional Rental Payments.

The Lessee shall pay Additional Rental Payments in addition to the Base Rental Payments to the Lessor as hereinafter provided:

(1) a payment of an Annual Fee due with the principal payment each year during the term of this Financing Lease in an amount equal to three-tenths of one percent (.3%) of the outstanding principal component of the remaining Base Rental Payments as of the first day of the month prior to the month in which the principal payment is due as set forth in the Amortization Schedule. Such Annual Fee is due on August 1 of each year; and

(2) amounts in each year as shall be required by the Lessor for the payment of extraordinary expenses of the Lessor in connection with any amendments or modifications of this Financing Lease or the Site Lease either requested by the Lessor or necessitated by the Lessor's actions, an Event of Default, or the enforcement of this Financing Lease, including all reasonable expenses, fees of accountants, trustees, attorneys, litigation costs, insurance premiums, taxes, assessments (if any), and all other extraordinary costs of the Lessor. Extraordinary expenses are those expenses and costs related to this Financing Lease or the Site Lease that IBank determines in its reasonable discretion to be in excess of ordinary and customary expenses and costs incurred as part of the IBank Annual Fee pursuant to this Section 3.01. Such additional payments shall be billed by the Lessor from time to time, together with any appropriate supporting documents for such extraordinary costs or expenses; and;

(3) Additional Rental Payments (other than the Annual Fee which is to be paid as provided in subsection 1 above) are due within thirty (30) days from the date of the Lessor's invoice. Any amounts not promptly paid shall accrue interest at the lesser of twelve percent (12%) per annum or the Maximum Rate.

(4) Unless expressly waived by the Lessor in writing, in the event the Lessee fails to cure any Reporting Covenants noncompliance as set forth in Section 6.03(f) or fails to cure any Replacement Lease Covenant noncompliance within 30 days after receipt by the Lessee of the replacement site lease and financing lease from the Lessor as set forth in Section 6.06 of this Financing Lease, \$1,000 shall automatically be imposed monthly as liquidated damages charged to the Lessee, and not as a penalty, (the "Liquidated Damages Charge") and shall continue to be imposed throughout the Liquidated Damages Period. The Lessee shall be obligated to pay the Liquidated Damages Charge as Additional Rental Payments. Such Additional Rental Payment shall be reflected in an invoice from the Lessor to the Lessee. The Lessee agrees that, under the circumstances existing as of the date of this Financing Lease, such Liquidated Damages Charge represents a reasonable estimate of the costs and expenses the Lessor will incur as a result of the Lessee's noncompliance with the Reporting Covenants and/or the Replacement Lease Covenant. Nothing herein shall be construed as an express or implied agreement by the Lessor to forbear on its exercise of any other rights or remedies provided by this Financing Lease, as a waiver of such rights or remedies, or as a waiver of any default or Event of Default under this Financing Lease.

(c) Consideration.

Such payments of Base Rental Payments and Additional Rental Payments for each Lease Year or portion thereof during the term of this Financing Lease shall constitute the total Rental Payments for such Lease Year or portion thereof and shall be paid or payable by the Lessee for and in consideration for the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Asset. The Lessee represents and warrants that it has determined, and hereby agrees with the Lessor, that the amount of such total Rental Payments for each Lease Year is consistent with, and does not exceed, the fair rental value of the Site. In making such determination, consideration has been given to the costs of acquiring the Site, the fair market fee and rental values of the Site, the other obligations set forth in this Financing Lease, the uses and purposes which may be served by the Site and the benefits therefrom which will accrue to the Lessee and the general public.

(d) Payment; Credit.

Amounts not paid when due hereunder shall remain due and payable until received by the Lessor, except as provided in Section 3.04 hereof, and to the extent permitted by law shall bear simple interest at the rate of the lesser of (i) twelve percent (12%) per annum or (ii) the Maximum Rate from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Lessee and the Lessor, the Lessee shall make all Rental Payments when due, without deduction or offset of any kind, and shall not withhold any Rental Payments pending the final resolution of any such dispute. In the event of a determination that the Lessee was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall, at the option of the Lessee, be credited against subsequent Rental Payments due hereunder or be refunded at the time of such determination.

(e) A one-time Origination Fee in the amount of one hundred thousand dollars (\$100,000) shall be due and payable by the Lessee on the Effective Date.

SECTION 3.02. Lessee Covenant to Budget.

The Lessee hereby covenants to take any and all action as may be necessary to include all Base Rental Payments and Additional Rental Payments due under this Financing Lease in its Operating Budget for each Fiscal Year commencing after the Effective Date and to make all necessary appropriations for such Base Rental Payments and Additional Rental Payments from legally available funds. In addition, to the extent permitted by law, the Lessee hereby covenants to take such action as may be necessary to amend or supplement the budget appropriations for payments under this Financing Lease at any time and from time to time during any Fiscal Year in the event that the actual Base Rental Payments and Additional Rental Payments to be paid in any fiscal year exceed the appropriations then contained in the Lessee's Operating Budget.

SECTION 3.03. Application of Rental Payments.

All Base Rental Payments received shall be applied first to the interest component of Base Rental Payments, then to the principal component of Base Rental Payments due hereunder and thereafter to all Additional Rental Payments due hereunder, but no such application of any

payments which are less than the total Rental Payments due and owing shall be deemed a waiver of any default hereunder.

SECTION 3.04. Base Rental Abatement Due to Damage, Destruction, Title Defect or Condemnation.

Except to the extent of (i) Net Proceeds received pursuant to use and occupancy insurance, and (ii) amounts, if any, otherwise legally available to the Lessee for payments due hereunder during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the Lessee of any portion of the Leased Asset, Base Rental Payments due hereunder with respect to the Leased Asset shall be abated in an amount proportionate to the annual fair rental value of the portion of the Leased Asset in respect of which there is substantial interference. In the event the Lessee shall assign, transfer or sublease any or all of the Leased Asset or other rights hereunder, as permitted by Section 2.04 hereof, for purposes of determining the annual fair rental value available to pay Base Rental Payments and Additional Rental Payments, annual fair rental value of the Leased Asset shall first be allocated to this Financing Lease as provided in subsection (d) of Section 2.04. Any abatement of Base Rental Payments pursuant to this Section shall not be considered an Event of Default. The Lessee waives the benefits of Civil Code sections 1932(2) and 1933(4) and any and all other rights to terminate this Financing Lease by virtue of any such interference and this Financing Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Asset so damaged, destroyed, defective or condemned. In the event of any such abatement, the Lessor shall prepare a Revised Amortization Schedule as set forth in paragraph 3.01(a)(3) of this Financing Lease.

In the event that Base Rental Payments are abated, in whole or in part, pursuant to this Section 3.04 due to damage, destruction, title defect or condemnation of any part of the Leased Asset and the Lessee is unable to repair, replace or rebuild the Leased Asset from the Net Proceeds, if any, the Lessee agrees to promptly apply for and to use its best efforts to obtain any appropriate State and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Asset.

SECTION 3.05. Limitations on Prepayment.

(a) No Right to Early Prepayment. The Lessee is not permitted to prepay all or a portion of the outstanding principal component of the Base Rental Payments during the period commencing with the Effective Date and ending with the date that is ten (10) years after the Effective Date (the "Prohibited Prepayment Period").

(b) Authorized Prepayment Period. At any time, after ten (10) years from the Effective Date (the "Authorized Prepayment Period"), the Lessee, upon satisfaction of the conditions of this Section 3.05, may prepay all or a portion of the outstanding principal amount of the Base Rental Payments. The Lessee shall pay to the Lessor all interest accrued and unpaid on the prepayment amount through the date of prepayment, plus any Additional Rental Payments, plus the *pro rata* portion of the Annual Fee. Said *pro rata* determination to be made

from dividing the number of days to have passed from the immediately preceding August 1st to the date of prepayment by the number 365.

(c) Written Request Required. The Lessee must provide the Lessor with its Prepayment Request in writing and at least ninety (90) days prior to the requested prepayment or reduction date. The Lessor will not accept any prepayment funds from the Lessee, unless and until all applicable requirements of this Section 3.05 have been met. (d) Amendment for Partial Prepayment. If during the Authorized Prepayment Period the Lessee prepays a portion of the outstanding principal component of the Base Rental Payments, then the Lessor and the Lessee shall enter into an amendment to this Financing Lease reflecting the terms of the prepayment, including a Revised Amortization Schedule, and the Lessee shall pay to the Lessor all interest accrued and unpaid on the prepayment amount through the date of prepayment, plus the portion of the outstanding principal component of the Base Rental Payments approved for prepayment, plus any Additional Rental Payments, plus the *pro rata* portion of the Annual Fee (calculated as set forth in paragraph 3.05(b)). The Lessor will not accept any prepayment until the Parties have executed such amendment to this Financing Lease.

(d) Prepayment Agreement for Full Prepayment. In the event the Lessee elects to prepay the entire outstanding amount of Rental Payments as set forth in paragraph 3.05(b), the Parties shall enter into a prepayment agreement (a "Prepayment Agreement") in form and content acceptable to the Lessor in its sole and absolute discretion, provided that the conditions for prepayment set forth in the Prepayment Agreement shall be consistent and shall not be more onerous than the conditions for partial prepayment set forth in this Financing Lease, including without limitation Section 3.05(b) above. The Lessor will not accept a full prepayment, and the Lessee's obligations under this Financing Lease will not terminate as set forth in Section 3.09 of this Financing Lease, until the Parties have executed a Prepayment Agreement.

SECTION 3.06. Obligation to Make Rental Payments.

The agreements and covenants on the part of the Lessee contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the Lessee to take such action and do such things as are required and to the extent permitted by law in the performance of the official duty of such officials to enable the Lessee to carry out and perform the agreements and covenants contained herein agreed to be carried out and performed by the Lessee.

SECTION 3.07. Fair Rental Value.

Base Rental Payments for each Lease Year during the term of this Financing Lease shall be paid by or on behalf of the Lessee in each Lease Year for and in consideration of the right of use and occupancy of the Leased Asset during each such Lease Year. The Parties hereto have agreed and determined that the total Base Rental Payments and Additional Rental Payments for each Lease Year represent the fair rental value for the right of use and possession and the continued quiet use and enjoyment of the Leased Asset for each such Lease Year. In making such determination, consideration has been given to costs related to the Leased Asset, other obligations of the parties under this Financing Lease, the uses and purposes that may be served

by the Leased Asset, and the benefits therefrom which will accrue to the Lessee and the general public.

SECTION 3.08 Survival of Tax Provisions.

Notwithstanding any provision in this Financing Lease to the contrary, the obligation to comply with all tax-related requirements set forth in Sections 6.16 shall survive termination of this Financing Lease or prepayment of the Base Rental Payments hereunder.

SECTION 3.09. Commencement and Termination of the Financing Lease; Vesting of Title.

(a) The term of this Financing Lease shall commence on the Effective Date, and shall end on the Expiry Date, unless the Expiry Date is extended or is sooner terminated as hereinafter provided. If on the Expiry Date the Rental Payments payable hereunder shall not be fully paid, or if the Rental Payments payable hereunder shall have been abated at any time and for any reason, then (i) the term of this Financing Lease shall be extended automatically and without amendment until the date on which the Rental Payments payable hereunder shall be fully paid, (ii) the Expiry Date shall be redefined to be that date, and (iii) the Lessor shall prepare a Revised Amortization Schedule as set forth in Section 3.01(a)(3). Subject to the provisions of Section 3.05 hereof, upon payment of all outstanding Base Rental Payments, Additional Rental Payments and all other amounts owed to the Lessor, the Financing Lease shall terminate except for the obligations of the Lessee pursuant to tax covenants, including but not limited to, Sections 3.08 and 6.16, indemnification covenants, including but not limited to Section 7.01, and choice of law and venue terms under Section 8.08.

(b) Upon the early termination or timely expiration of this Financing Lease and the Site Lease (other than as provided in Article VIII), full and complete title to the Leased Asset shall vest in the Lessee, free of any leasehold or other encumbrance established hereunder or under the Site Lease. Upon such termination or expiration, the Lessor hereby agrees, upon the Lessee's written request, to execute a quitclaim deed in form and content satisfactory to the Lessor in its reasonable discretion, quitclaiming the Lessor's leasehold interest in the Leased Asset pursuant to the Site Lease and this Financing Lease. The Lessor shall provide an original copy of such quitclaim deed to the Lessee within thirty (30) calendar days of the Lessee's written request.

SECTION 3.10. Assignment by the Lessor.

The parties understand that certain of the rights of the Lessor hereunder may, at the Lessor's sole and absolute discretion, be assigned to the Trustee. Accordingly, the Lessee agrees to make all payments due hereunder to the Trustee when so directed by the Lessor, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the Lessee may from time to time have against the Lessor. The Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be requested by the Lessor or the Trustee, in their sole and absolute discretion, to protect their interests in the Leased Asset during the term hereof. Additionally, the Lessee hereby agrees and acknowledges that the Lessor's rights under this

Agreement, collectively or severally, may in the Lessor's sole and absolute discretion be assigned by the Lessor, or by the State, to any other party for any purpose.

SECTION 3.11. Assignment by the Lessee.

This Financing Lease and the interest of the Lessee in the Leased Asset may not be assigned or encumbered by the Lessee except as permitted by Section 2.04 hereof.

SECTION 3.12. Net Lease.

It is the purpose and intent of the Lessor and the Lessee that Rental Payments hereunder shall be absolutely net to the Lessor so that this Financing Lease shall yield to the Lessor the Rental Payments, free of any charges, assessments or impositions of any kind charged, assessed or imposed on or against the Leased Asset, and without counterclaim, deduction, defense, deferment or set-off by the Lessee except as herein specifically otherwise provided. The Lessor shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth, and all costs, expenses and obligations of any kind relating to the maintenance and operation of the Leased Asset which may arise or become due during the term of this Financing Lease shall be paid by the Lessee.

ARTICLE IV

MAINTENANCE; TAXES;
INSURANCE AND OTHER CHARGES

SECTION 4.01. Maintenance of the Leased Asset by the Lessee.

The Lessee agrees that, at all times during the term hereof, it will, at its own cost and expense, maintain, preserve and keep the Leased Asset and every portion thereof in good repair and working order as necessary to operate the Leased Asset for its intended purpose in compliance with all laws, rules, regulations, building codes, health and safety codes, and ordinances, subject to normal wear and tear, and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals necessary to maintain the Leased Asset in such a condition. The Lessor shall have no responsibility or obligation for any of these matters or for the making of additions or improvements to the Leased Asset. The Lessee will at all times maintain in full force and effect all licenses, permits, and approvals required by any governmental agency or authority having jurisdiction over the Lessee or the Leased Asset at any time required for the operation of the Leased Asset.

SECTION 4.02. Taxes, Other Governmental Charges and Utility Charges.

The Parties hereto contemplate that the Leased Asset will be used for public purposes by the Lessee and, therefore, that the Leased Asset will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the Lessee or the Lessor of the Leased Asset is found to be subject to taxation in any form, the Lessee will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be

lawfully assessed or levied against or with respect to the Leased Asset and any other property acquired by the Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Leased Asset, as well as all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Asset; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are accrued during such time as this Financing Lease is in effect.

SECTION 4.03. Insurance.

(a) The Lessee shall procure or cause to be procured and maintain or cause to be maintained throughout the term hereof the specific insurance policies required hereunder and/or insurance against the following risks in the following respective amounts:

(1) Insurance against loss, damage or destruction to the Leased Asset caused by fire, lightning, wind or rainstorm, earthquake, with an extended coverage endorsement covering the risk of vandalism and malicious mischief, sprinkler system leakage and boiler loss; provided that earthquake coverage shall be required only if available from reputable insurers at commercially reasonable rates. In the event the Lessee is unable to obtain earthquake coverage on the Leased Asset which it previously has maintained, it will promptly so notify the Lessor. The insurance described in this paragraph (1) shall be in an amount equal to the lesser of (i) replacement cost (without deduction for depreciation) of improvements located or to be located on the Leased Asset or (ii) the remaining unpaid principal amount owed under this Financing Lease plus the amount of use and occupancy coverage described in paragraph (2) below, except that such insurance may be subject to deductible clauses of not to exceed the first one-hundred thousand dollars (\$100,000) subject to the Lessor's approval of the amount of any one loss (or ten percent (10%) of the amount insured, in the case of earthquake). Insurance described in this paragraph (1) and in paragraph (2) below may be in the form of a policy which covers the Leased Asset and one or more additional parcels of real property insured by the Lessee; provided that the amount of coverage available thereunder shall be at least equal to the cumulative replacement values of the Leased Asset and any other such property which is the subject of a lease, installment purchase or other financing arrangement ("Financed Property") for which bonds, certificates of participation or other obligations shall have been issued ("Obligations") plus the amount of use and occupancy coverage required by paragraph (2) below; in the event the Lessee elects to obtain insurance for the Leased Asset and one or more additional parcels of real property and the amount of the insurance proceeds available to pay all claims thereunder is not sufficient to cover the replacement values of all such properties, then any such proceeds shall be used first to rebuild or repair the Leased Asset and all Financed Properties or to repay all Obligations and the Secured Bonds. The Lessor shall be named as loss payee.

(2) Rental interruption insurance or use and occupancy insurance against loss, total or partial, of the use and occupancy of the Leased Asset as a result of any of the hazards covered by the insurance required by paragraph (1) hereof, sufficient to pay the Base Rental Payments due under this Financing Lease for a period of at least six (6) months beyond the period required to rebuild the Leased Asset; provided, that the amount of such insurance need not exceed

the total remaining Base Rental Payments attributable to the Leased Asset; provided further, that such insurance may be part of a policy permitted under paragraph (1) above, which policy may provide that insurance proceeds paid for coverages contemplated by paragraph (1) above may reduce amounts payable under coverage required by this paragraph (2), and vice-versa; the Lessee may obtain rental interruption or use and occupancy insurance covering the Leased Asset as well as other property owned by the Lessee, provided that the cumulative amount thereof is at least equal to the cumulative amount of rental interruption or use and occupancy insurance required by this paragraph (2) and any agreements relating to Financed Property in respect of which Obligations are outstanding. The Lessor shall be named as a loss payee.

(3) A standard, commercial general liability insurance policy or policies in protection of the Lessor, the Lessee and their directors, officers and employees and, when requested by the Lessor, the Trustee, indemnifying and defending such parties against direct or contingent loss or liability for damages for personal injury, death or property damage related to the possession, operation or use of the Leased Asset, with a minimum combined single limit of one million dollars (\$1,000,000) for personal injury or death of one or more persons, and for property damage, in each accident or event (subject to a deductible clause of not to exceed one hundred thousand dollars (\$100,000) or such greater amount as may be covered by any self-insurance or self-funding method or plan permitted by this Section). The Lessor shall be named as an additional insured, and when requested by the Lessor the Trustee shall also be named as an additional insured.

The Lessee shall collect, adjust and receive all moneys which may become due and payable under any policies contemplated by paragraphs (1) and (2) above, may compromise any and all claims thereunder and, subject to the provisions of Section 4.06 hereof, shall transfer such Net Proceeds to the Lessor for application as provided herein. Neither the Lessor nor the Trustee shall be responsible for the sufficiency of any insurance herein required. The Lessor and the Trustee shall be fully protected by the Lessee for any harm or loss resulting from accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Lessee, with the prior consent of the Lessor, which consent shall not be unreasonably withheld.

(b) Any insurance policy issued pursuant to paragraph (1) of Section 4.03(a) shall be so written or endorsed as to make losses, if any, payable to the Lessee and the Lessor as their respective interests may appear and the Net Proceeds of the insurance required by that paragraph shall be applied as provided in Section 4.06 hereof. The net proceeds, if any, of the insurance policy described in that paragraph shall, to the extent that such proceeds are paid on account of loss or damage to the Leased Asset, be payable and applied as described in Section 4.06. The net proceeds, if any, of the insurance policy described in paragraph (2) of Section 4.03(a) shall, to the extent that such proceeds relate to the use and occupancy of the Leased Asset, be payable to the Lessor. Each insurance policy provided for in the Financing Lease shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the Lessor without first giving written notice thereof to the Lessor at least sixty (60) days in advance of such intended cancellation or modification.

(c) Not later than July 1 of each year, commencing July 1, 2020, the Lessee shall file a Certificate of the Lessee with the Lessor certifying that the insurance required by this Section is in full force and effect and that the Lessor is named as loss payee and additional insured on each insurance policy which this Financing Lease requires to be so endorsed. The Certificate of the Lessee shall include copies of the declarations pages and additional insured endorsements for each policy required hereunder.

SECTION 4.04. Advances.

In the event the Lessee fails to maintain the full insurance coverage as required by Section 4.03, fails to keep the Leased Asset in good repair and operating condition as required by Section 4.01, or fails to pay the taxes, utility charges, or other applicable governmental charges as required by Section 4.02, the Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same, may make such repairs or replacements as are necessary and provide for payment thereof, or may pay such taxes, utility charges, or other applicable governmental charges; and all amounts so advanced therefor by the Lessor shall become Additional Rental Payments.

SECTION 4.05. Title Insurance.

The Lessee covenants and agrees to deliver or cause to be delivered to the Lessor upon recordation of this Financing Lease and the Site Lease, an ALTA policy or policies of title insurance with all endorsements required by the Lessor in its sole and absolute discretion with respect to the Leased Asset with liability in the aggregate amount equal to the amount of the Financing Funds. Such policy or policies shall name the Lessor as the insured and shall insure the Lessor's interests in the Leased Asset subject only to the Permitted Encumbrances and such other exceptions as the Lessor may consent to in writing in its sole and absolute discretion.

SECTION 4.06. Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds.

(a) If prior to the termination of the term hereof (i) the Leased Asset or any other improvements in or on the Leased Asset are damaged or destroyed (each of which is hereinafter called "Damaged Improvements") by a peril covered by a policy of insurance described in Section 4.03(a)(1) hereof (an "Insured Peril"); or (ii) title to, or the right to possession, use or occupancy of, the Leased Asset, or any portion thereof, or the estate of the Lessee or the Lessor in the Leased Asset, or any portion thereof, is defective or shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority, then the Lessee and the Lessor will cause the Net Proceeds of any loss or claim paid by an insurer under an insurance policy (other than rental interruption insurance pursuant to Section 4.03(a)(2) which shall be directly transferred to the Lessor for deposit pursuant to Section 4.03), or condemnation award, to be transferred to the Lessor and applied as follows:

(1) Net Proceeds Exceeding Costs.

Within one hundred twenty (120) days of the date of said Insured Peril, the Lessee shall obtain written estimate(s) of the (i) cost of the repair, replacement and reconstruction of the Damaged Improvements in a condition substantially equivalent to the condition of the Damaged Improvements immediately prior to the occurrence of said Insured Peril (collectively referred to herein as the “Reconstruction”), and (ii) Net Proceeds available to pay such costs. Copies of such estimate(s) shall be provided to the Lessor. If the one hundred twenty (120) day period is insufficient to obtain said estimates, the period may be reasonably extended by the Lessee upon the approval of the Lessor, in its reasonable discretion. If the Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Lessor in respect of the Leased Asset) exceed the estimated costs of Reconstruction, the Damaged Improvements shall be repaired, replaced and reconstructed to the same or better quality as existed before the damage occurred. The Lessee shall commence and manage the Reconstruction and shall complete the Reconstruction as soon as reasonably possible after the occurrence of such damage. Any balance of Net Proceeds remaining after the Reconstruction has been completed shall be transferred to the Lessor for the payment of unpaid Base Rental Payments and Additional Rental Payments. Net Proceeds remaining after payment of the amounts specified in the previous sentence shall be transferred to the Lessee.

(2) Costs Exceeding Net Proceeds.

If the estimated costs of Reconstruction exceed the Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Lessor in respect of the Leased Asset), the Lessee, in its sole discretion, may elect to budget and appropriate to the Reconstruction the amount of such excess, and to manage the Reconstruction as set forth in Section 4.06(a)(5). The Lessee shall exercise this election by written notice thereof delivered to the Lessor within thirty (30) days after the Lessee obtains the written estimate(s).

(3) Net Proceeds Sufficient to Prepay All Unpaid Base Rental Payments.

If the Lessee does not exercise the election to reconstruct pursuant to Section 4.06(a)(2) and Net Proceeds are at least sufficient to prepay all unpaid Base Rental Payments, such Net Proceeds shall be transferred to the Lessor to prepay such Base Rental Payments. If the Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Lessor in respect of the Leased Asset) exceed the amount necessary to prepay the unpaid Base Rental Payments and any due and owing Additional Rental Payments, the Lessee shall be entitled to the amount of proceeds remaining after such prepayment.

(4) Net Proceeds Insufficient to Prepay All Unpaid Base Rental Payments.

If the Lessee does not exercise the election to reconstruct pursuant to Section 4.06(a)(2) and Net Proceeds are insufficient to prepay the unpaid Base Rental Payments hereunder, the Lessee, in its sole discretion, may elect to budget and appropriate funds to cause the prepayment of the Base Rental Payments and due and owing Additional Rental Payments and the Net Proceeds,

together with such funds, shall be transferred to the Lessor with directions to apply the proceeds to the prepayment of the Base Rental Payments and due and owing Additional Rental Payments; provided, that if the Lessee elects not to appropriate funds for such prepayment, the Lessee shall apply Net Proceeds (not including proceeds of any policy of title insurance or condemnation award received by the Lessor in respect of the Leased Asset) to the Reconstruction. If the Lessee, in its sole discretion, elects to budget or appropriate funds for the prepayment of the unpaid Base Rental Payments and due and owing Additional Rental Payments, the Lessee shall transfer such funds to the Lessor for the prepayment of Base Rental Payments and due and owing Additional Rental Payments.

(5) Management of Reconstruction.

If the Leased Asset or any part thereof becomes Damaged Improvements, the Lessee shall promptly cause, manage and supervise the Reconstruction.

(b) The proceeds of any policy of title insurance or condemnation award received by the Lessor in respect of the Leased Asset shall be applied to prepay Base Rental Payments.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE LESSEE

SECTION 5.01. Organization; Authority; Application Correct.

The Lessee is duly organized and existing under the laws of the State and has all necessary power and authority to enter into and perform its duties under this Financing Lease. The Lessee's application for the financing, including all attachments, amendments and clarifications submitted by the Lessee to the Lessor, were accurate and correct at the time of submission and are accurate and correct as of the Effective Date.

SECTION 5.02. Agreement Valid and Binding; Approval by the Lessee.

This Financing Lease and the Site Lease have been duly authorized, executed and delivered by the Lessee and constitute the legal, valid and binding obligations of the Lessee, enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally. The governing body of the Lessee has authorized the Lessee to enter into this Financing Lease and Site Lease by duly adopting a resolution or other appropriate action.

SECTION 5.03. No Conflict in Execution of Financing Lease.

The execution and delivery by the Lessee of this Financing Lease and the Site Lease and compliance with the provisions hereof and thereof will not conflict with or constitute a breach of or default by the Lessee under any law, administrative regulation, court decree, resolution, charter, by-law or any agreement to which the Lessee is subject or by which it is bound or by

which its properties may be affected in a manner that would adversely affect the enforceability of this Financing Lease or the Site Lease, or the Lessee's ability to perform its obligations under this Financing Lease or the Site Lease.

SECTION 5.04. No Litigation.

There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the Lessee to restrain or enjoin the execution or delivery of this Financing Lease or the Site Lease, or in any way contesting or impacting the validity of this Financing Lease or the Site Lease, contesting the powers of the Lessee to enter into or perform its obligations under this Financing Lease or the Site Lease, or that would in any way impact the Lessee's ability to perform its obligations under this Financing Lease or the Site Lease.

SECTION 5.05. No Breach or Default.

The Lessee is not in breach of or in default under any applicable law or administrative regulation of the State or the United States, the Constitution of the State (including article XVI, section 18 thereof), any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, lease, agreement or other instrument to which the Lessee is a party or is otherwise subject which, if not resolved in favor of the Lessee, would have a material adverse impact on the Lessee's ability to perform its obligations under this Financing Lease or the Site Lease 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.

SECTION 5.06. No Consent, Approval or Permission Necessary.

No consent or approval of any trustee or holder of any indebtedness of the Lessee, and no consent, permission, authorization, order or licenses of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Financing Lease or the Site Lease, or the consummation of any transaction contemplated herein or therein, except as have been obtained or made and as are in full force and effect.

SECTION 5.07. Information Submitted to the Lessor.

The information relating to the Lessee, the Site, and the Leased Asset submitted by the Lessee to the Lessor, including, but not limited to, all information in the Lessee's application for financing, was true at the time submitted to the Lessor and as of the Effective Date, remains true and correct in all material respects, and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

SECTION 5.08. Financial Statements of the Lessee.

The Lessee's financial statements that have been furnished to the Lessor were prepared in conformity with generally accepted accounting principles, consistently applied, applicable to or

appropriate for an entity such as the Lessee and fairly present in all material respects the financial condition of the Lessee as of the date thereof and the results of its operations for the period covered thereby. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Lessee since the date of such financial statements.

SECTION 5.09. Licenses, Permits and Approvals for Operation or Occupancy of Leased Asset.

The Lessee has obtained, and will maintain in full force and effect at all times during the term of this Financing Lease all licenses, permits and approvals from any governmental agency or authority having jurisdiction over the Lessee or the Leased Asset, required for the operation, use, or occupancy of the Leased Asset.

SECTION 5.10. Continuing Validity of Representations and Warranties.

Unless the representations and warranties set forth in this Article V are limited by their express terms to a specific time period or point in time, the foregoing representations and warranties are true, accurate, and correct as of the Effective Date and shall continue to be true, accurate, and correct throughout the term of this Financing Lease.

ARTICLE VI

COVENANTS OF THE LESSEE

SECTION 6.01. Punctual Payment and Performance.

To the extent permitted by law, the Lessee hereby covenants to punctually pay, or cause to be paid, all payments required hereunder when due and in all other respects in strict conformity with the terms of this Financing Lease, and to faithfully observe and perform all of the terms, conditions, covenants and requirements of this Financing Lease.

SECTION 6.02. Books and Accounts.

The Lessee hereby covenants that it will keep proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the Leased Asset (which may be consolidated with other activities of the Lessee). Such books of record and accounts shall at all times during business hours be subject to the inspection of the Lessor or its designee. To the extent that any continuing disclosure reports required by Section 6.15 herein sets out the information required by subsections (a) and (c) of Section 6.03, the Lessee may submit a copy of the information and materials required by such continuing disclosure reports instead of providing separate statements setting forth the requested information.

SECTION 6.03. Financial Statements, Budgets; Notification to the Lessor.

(a) The Lessee shall prepare and file with the Lessor annually as soon as practicable, but in any event not later than one hundred eighty (180) days after the close of each

Fiscal Year, so long as this Financing Lease has not been discharged by the Lessor, an audited financial statement of the Lessee for the preceding Fiscal Year, in the form of a Comprehensive Annual Financial Report, prepared by an Independent Accountant under generally accepted accounting procedures, consistently applied. The Lessee will furnish to the Lessor such reasonable number of copies of such audited financial statements as may be required by the Lessor for distribution (at the expense of the Lessee). Alternatively, the Lessee may furnish electronic copies of such audited financial statements to the Lessor in portable document format, or other format acceptable to the Lessor in its sole and absolute discretion.

(b) Simultaneously with the delivery of the annual audited financial statements, or more frequently following forty-five (45) calendar days' written notice by the Lessor, as the Lessor shall determine in its sole and absolute discretion, the Lessee shall deliver to the Lessor a Certificate of the Lessee stating the following:

(1) That no Event of Default has occurred and no event has occurred which, with the passing of time or giving of notice would constitute an Event of Default, or if any such Event of Default or event has occurred, a detailed description of the same;

(2) Notification of any other event or circumstance that would adversely affect the payment of the Base Rental Payments;

(3) That the Lessee has complied with all covenants of this Financing Lease to be performed by it, or if the Lessee has breached any such covenant, a detailed description of such breach; and

(4) Such other information as may be required by the Lessor.

(c) The Lessee shall, upon request, furnish to the Lessor, in a format specified by the Lessor, information concerning employment and other public benefits connected to or resulting from the acquisition of the Site.

(d) Not later than sixty (60) days after the start of each Fiscal Year, the Lessee shall deliver to the Lessor, an Operating Budget approved by the governing body of the Lessee setting forth the Lessee's estimated revenues, expenses and Debt Service for the current Fiscal Year; provided, that any such Operating Budget may be amended at any time during the Fiscal Year and such amended Operating Budget shall be delivered to the Lessor or its designee. The Lessee will furnish to the Lessor such reasonable number of copies of such Operating Budget as may be required by the Lessor for distribution (at the expense of the Lessee). Alternatively, the Lessee may furnish electronic copies of such Operating Budget to the Lessor in portable document format, or other format acceptable to the Lessor in its sole and absolute discretion.

(e) The Lessee agrees to notify the Lessor, immediately, by telephone promptly confirmed in writing, if any representation made in this Financing Lease or in the application for financing to the Lessor shall at any time so long as the Financing Lease is outstanding prove untrue or incorrect in any manner that could adversely affect the Lessee's ability to perform its obligations under this Financing Lease. Further, the Lessee agrees to notify

the Lessor, immediately, by telephone promptly confirmed in writing, if there is a stop payment notice, litigation or any other legal proceeding which may materially adversely impact the completion of any improvement to the Leased Asset. Additionally, the Lessee agrees to notify the Lessor, immediately, by telephone promptly confirmed in writing, if the Lessee breaches any covenant set forth in this Financing Lease.

(f) The Lessee's covenants set forth in paragraphs 6.03(a) through (d) hereof are hereinafter referred to as the "Reporting Covenants." In the event the Lessee fails to comply timely with the Reporting Covenants, starting on the date that is the first day (1st day) after the applicable due date of any Reporting Covenant and continuing until the date the Lessee actually cures its noncompliance (the "Liquidated Damages Period"), the Lessee shall be obligated to pay to the Lessor the Liquidated Damages Charge in accordance with Section 3.01(b)(4) hereof.

SECTION 6.04. Protection of Security and Rights.

The Lessee shall preserve and protect the security of the Financing Lease and the rights of the Lessor. From and after the Effective Date hereof, the Financing Lease shall be incontestable by the Lessee.

SECTION 6.05. Management of Properties.

The Lessee shall manage and operate the Leased Asset in a sound and business-like manner and in conformity with all valid requirements of any governmental authority.

SECTION 6.06. Covenant to Enter into a Replacement Financing Lease and Site Lease.

The Lessee acknowledges that the Lessor has issued or may issue Proceeds Bonds or Secured Bonds subsequent to the Effective Date of this Financing Lease, and that, if issued, the Lessee hereby covenants and agrees, at its own expense, to enter into a replacement financing lease and a replacement site lease to replace this Financing Lease and the Site Lease. The Lessee understands and acknowledges that time is of the essence with respect to entry into such replacement financing lease and site lease as such timing is mandated by Federal tax laws applicable to the Lessor's Proceeds Bonds and/or Secured Bonds. So long as the terms of the subsequent financing lease and site lease are substantially identical to the terms of this Financing Lease and the Site Lease, the Lessee hereby covenants and agrees, at its own expense, to timely execute the new documents, cooperate with the Lessor in good faith and provide related certifications and other documents in a timely manner. The Lessee's covenant set forth in this Section 6.06 is hereinafter referred to as the "Replacement Lease Covenant."

SECTION 6.07. Further Assurances.

The Lessee hereby agrees to adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably required by the Lessor as necessary or proper to carry out the intention or to facilitate the performance of this Financing Lease and for the better assuring and confirming unto the Lessor of the rights, remedies and benefits provided in this Financing Lease.

SECTION 6.08. Leased Asset Documentation.

At any time, upon request of the Lessor, the Lessee agrees to make available to the Lessor for review and copying all then current plans and specifications for the Leased Asset. The Lessee may identify any proprietary information in such plans and specifications and, to the extent legally permissible, the Lessor agrees to keep such information confidential. Provided, however, for the avoidance of doubt, and not by limitation of the foregoing, the Lessor may disclose any such confidential information in connection with any Proceeds Bonds or Secured Bonds or in the event Lessor is served with a subpoena, a valid discovery request, a notice to appear and produce documents, or a valid California Public Records Act request, seeking, or that could be construed reasonably as seeking, such confidential information, to the extent that such information is not otherwise protected from disclosure.

SECTION 6.09. *Reserved*

SECTION 6.10. The Lessee's Assurances and Commitments.

The Lessee shall at all times comply and require its direct contractors and subcontractors to comply with all State prevailing wage laws, all applicable federal and State laws, rules and regulations, the Criteria, and all applicable local ordinances for construction and upgrading of the Leased Asset, specifically including, but not limited to, environmental, procurement and safety laws, rules, regulations, and ordinances. The Lessee acknowledges and agrees that under no circumstances would its failure to act in accordance with the provisions of this subsection (a) result in any duty, obligation or responsibility on the part of the Lessor or the officers and agents thereof.

SECTION 6.11. Leased Asset Access.

The Lessee shall ensure that the Lessor or its designee will have suitable access to the Leased Asset at all reasonable times throughout the term of this Financing Lease, and at any time in the event of an IRS audit directly or indirectly related to this Financing Lease, and shall include provisions assuring such access in all contracts and subcontracts relating to the Leased Asset.

SECTION 6.12. *Reserved*

SECTION 6.13. Notice of Event of Default.

The Lessee hereby covenants that it will deliver to the Lessor, immediately after the Lessee shall have obtained knowledge of the occurrence of an Event of Default, the occurrence of an event that with notice or the passing of time would constitute an Event of Default, or failure as described in Section 7.02, a Certificate of the Lessee setting forth the details of such Event of Default, event, or failure and the curative action the Lessee proposes to take with respect thereto.

SECTION 6.14 Nondiscrimination.

(a) During the performance of this Financing Lease, the Lessee shall ensure that any direct contractor and its subcontractors performing any improvement on the Leased Asset shall not deny the contracts' benefits to any person on the basis of race, color, religion, ancestry, national origin, ethnic group identification, marital status, gender, sex, sexual orientation, age, medical condition, physical handicap or disability, mental disability, political affiliation, or position in a labor dispute, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, color, religion, national origin, ethnic group identification, ancestry, physical handicap or disability, mental disability, medical condition, marital status, age, gender, sex, sexual orientation, political affiliation, or position in a labor dispute. The Lessee shall ensure that any direct contractor and its subcontractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

(b) The Lessee shall take all reasonable steps to ensure that any direct contractor and its subcontractors performing any improvement on the Leased Asset shall comply with the applicable provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0 et seq.) the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any regulations promulgated thereunder.

(c) The Lessee shall take all reasonable steps to ensure that any direct contractor and its subcontractors performing any improvement on the Leased Asset shall not knowingly give preferential treatment of any kind whatsoever in connection with any business transaction related to improvement or operation of the Leased Asset to any of its affiliates or to any business enterprise in which the Lessee has any financial interest, but in such business transactions shall deal at all times with such affiliates and enterprises on the same basis as though the Lessee were dealing with any other parties.

(d) The Lessee shall take all reasonable steps to ensure that any direct contractor and its subcontractors performing any improvement on the Leased Asset shall give written notice of their obligations under this section to labor organizations representing employees of the Lessee and any contractor or subcontractor performing any improvement on the Leased Asset which have a collective bargaining or other contract with the Lessee, such contractor or subcontractor.

(e) The Lessee shall take all reasonable steps to ensure that any direct contractor and its subcontractors performing any improvement on the Leased Asset shall include the provisions of this section in all subcontracts related to such improvement.

SECTION 6.15 Continuing Disclosure.

Upon the request of the Lessor, the Lessee covenants to promptly furnish all financial and operating data pertaining to the Lessee that may be required to either: (i) enable the Lessor to

issue any new, or to perform its obligations under any existing, Secured Bonds; or (ii) enable any underwriter of any Secured Bonds to comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

SECTION 6.16 Tax Covenants.

The Lessee recognizes that the Financing Funds may be derived from the proceeds of, or payments made hereunder may be pledged to secure, bonds issued or to be issued by the Lessor, the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code. In order to maintain the tax-exempt status of, and perform its obligations with respect to, the Proceeds Bonds and Secured Bonds, the Lessee will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Proceeds Bonds or Secured Bonds under the Code, and the Lessee specifically agrees to comply with all terms and conditions contained herein and to provide annual certification of its compliance with the tax covenants set forth in this Section 6.16. The Lessee will not directly or indirectly use or make any use of the Financing Funds or any other funds of the Lessee, or take or omit to take any action, if such use or action would cause the Proceeds Bonds or Secured Bonds to be "arbitrage bonds" subject to federal income taxation by reason of section 148 of the Code. In addition, the Lessee covenants and agrees that it, and/or any party related to it, will not acquire Proceeds Bonds or Secured Bonds in an amount related to the amount of the Financing Funds. The provisions of this Section 6.16 shall survive the discharge of the Lessee's obligations hereunder and shall apply to any trustee or other successor or assignee described in Section 3.10.

(a) Eligible Uses of Financing Funds. Unless otherwise agreed to by the Lessor, Financing Funds shall be used exclusively for the purpose of paying or reimbursing a portion of the costs of acquiring the Site.

(b) Allocation of Financing Funds to Expenditures. On September 17, 2019, the Lessee adopted a resolution stating its official intent to be reimbursed from the proceeds of a borrowing to finance costs of acquiring the Site (the "Reimbursement Resolution"). Absent written agreement by the Lessor, all expenditures of Financing Funds will be used to pay or reimburse the Lessee for capital expenditures with respect to the Site that are:

(1) costs paid by the Lessee no earlier than the date which is sixty (60) days prior to the date of the adoption of the Reimbursement Resolution; or

(2) costs paid by the Lessee on or after the Effective Date.

In addition, Financing Funds shall be allocated to paying or reimbursing the Lessee for capital expenditures no later than eighteen months after the later of the date the expenditure was paid or the date the Site is placed in service, but in the case of costs described in clause (1),

above, such allocations must be made in all events no later than three years after the cost was paid.

(c) Prohibited Uses of Financing Funds. The Lessee will not loan any of the Financing Funds to any other person or entity. The Lessee will not use Financing Funds directly or indirectly to make principal, interest, or premium payments with respect to any bond, note, certificate of participation or other obligation of the Lessee or any person or entity that is a related party to the Lessee within the meaning of Treasury Regulation Section 1.150-1(b).

(d) Expectations Regarding Financing Funds and Leased Asset; No Change in Use. The Lessee reasonably expects and consistent with this Section 6.16 hereof to use all Financing Funds and all of the Leased Asset for the entire stated term to maturity of this Financing Lease. The Lessee does not expect that the Leased Asset or any part thereof will be sold or otherwise disposed of so long as the Lessee's obligations under this Financing Lease are not discharged. Absent written agreement by the Lessor, the Lessee hereby agrees that it will use all Financing Funds and all of the Leased Asset as set forth in this Section 6.16.

(e) Funds for Making Installment Payments. All amounts used to fund the Payment Account will be deemed to have been made from the Lessee's funds by using a last-in, first-out accounting method, and amounts in the Payment Account will be treated as used to pay the Rental Payments by using a first-in, first-out accounting method. The Lessee agrees that the amounts used to pay Rental Payments shall be both received by the Lessee and utilized for the payment of Rental Payments within a ninety (90) day period. The Payment Account will be used primarily to achieve a proper matching of revenues and Rental Payments within each year; a matching of revenues means that revenue and Rental Payments come in and go out at approximately the same level and the Payment Account is cleared out to a very low balance at least one time during the year. Current Revenues in the Payment Account shall be invested without regard to yield so long as the Lessee complies with this section.

(f) Nongovernmental Use of Financing Funds and Leased Asset. The Lessee understands that the Financing Funds and the Leased Asset are subject to certain restrictions on the use of the Financing Funds or the Leased Asset by any Nongovernmental Person, other than use as a member of the general public. For this purpose a Nongovernmental Person will be treated as "using" Financing Funds to the extent the Nongovernmental Person:

- (1) borrows Financing Funds;
- (2) acquires an ownership or lease interest with respect to any portion of the Leased Asset;
- (3) uses any portion of the Leased Asset (e.g., as a service provider, operator, or manager), except pursuant to a contract that meets the requirements of subsection (g) of this Section 6.16; or
- (4) in the case the Leased Asset would provide water, electricity, or natural gas, acquires such output from the Leased Asset (except pursuant to generally applicable and uniformly applied rates that are available to the general public).

The Lessee hereby represents and covenants that it will not allow more than five percent (5%) of the Financing Funds or more than five percent (5%) of the Leased Asset to be used directly or indirectly by any Nongovernmental Person, other than as a member of the general public.

(g) Management Contracts. The Lessee understands that an arrangement with any person or organization (other than a state or local governmental unit) which provides for such person or organization to manage, operate, maintain or provide services with respect to the Leased Asset (a “Service Contract”) can give rise to use by a Nongovernmental Person that is subject to the limitations of Section 6.16(f) of this Agreement. However, as of the Effective Date the Internal Revenue Service (“IRS”) has issued two sets of guidelines that describe situations in which the IRS would rule that a Service Contract will not be treated as giving rise to a Nongovernmental Person’s use of the Leased Asset: (i) the guidelines set forth in Revenue Procedure 97-13, as amended by Revenue Procedure 2001-39, and as amplified by Notice 2014-67 (the “Prior Guidelines”); and (ii) the guidelines set forth in Revenue Procedure 2017-13 (the “Current Guidelines”). The Lessee may apply the Prior Guidelines to any Service Contract entered into before August 18, 2017 that is not modified materially or extended on or after that date (other than pursuant to a renewal option as defined in Treasury Regulation Section 1.141-1(b)). The Lessee may apply the Current Guidelines to Service Contracts entered into at any time.

Commencing with the Effective Date, at least thirty (30) days prior to the execution of any modification to, extension or renewal of, or new operations and maintenance agreement relating to the Leased Asset, the Lessee shall (i) ensure that any such instrument meets the requirements for qualified management contracts under the Code, and (ii) provide the Lessor a copy of any such instrument together with an explanation of the basis for its conclusion that such instrument meets the requirements for qualified management contracts under the Code. Provided, however, the Lessee is not obligated to provide to the Lessor contracts for services that are solely incidental to the primary governmental function, or functions, of the Leased Asset (e.g., contracts for janitorial services, landscaping services, office equipment repair, escalator repair, elevator repair, auditing services, legal services, or similar services).

(h) No Other Replacement Proceeds. The Lessee is not using any Financing Funds and hereby agrees that it will not use any Financing Funds to replace funds of the Lessee which are or will be used to acquire Investment Property reasonably expected to produce a yield that is materially higher than the yield on the Rental Payments under this Financing Lease.

(i) Federal Guarantee. The Lessee will not directly or indirectly use or permit the use of any Financing Funds or take or omit to take any action that would cause the Proceeds Bonds or Secured Bonds to be obligations that are “federally guaranteed” within the meaning of section 149(b) of the Code. In furtherance of this covenant, the Lessee will not allow the payment of principal or interest under this Financing Lease to be guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof.

(j) No Hedge Bonds. The Lessee reasonably expects that more than eighty-five percent (85%) of the Financing Funds will be expended for the purposes of this Financing Lease within three years of the Effective Date.

SECTION 6.17. Leased Asset Use.

(a) The Lessee shall make no changes to the Leased Asset or to the operation thereof without the prior written consent of the Lessor, which consent shall be granted or denied in the Lessor's reasonable discretion. Further, the Lessor may condition any such consent upon receipt of an Opinion of Counsel to the effect that such changes will not affect the qualification of the Site for tax exempt financing under the Code.

(b) To the best of the Lessee's knowledge, no officer or official of the Lessor has any material interest whatsoever in the Leased Asset or in the transactions contemplated by this Financing Lease.

(c) All applicable local governmental agency, State and federal government certificates, approvals, permits and authorizations required in order to complete acquisition and commence operations of the Site have been obtained or have been applied for and will be obtained as soon as practicable.

ARTICLE VII

INDEMNIFICATION AND EVENTS OF DEFAULT

SECTION 7.01. Indemnification.

The Lessee shall, to the fullest extent permitted by law, indemnify, defend, protect, hold harmless, save and keep harmless the Lessor and its members, directors, officers, employees and agents (collectively, the "Indemnified Parties") from and against any and all liability, obligations, losses, claims, demand, damages, actions, causes of action, liens, stop payment notices, or costs whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses as incurred, penalties and interest (collectively, a "Claim"), arising out of or as the result of entering into the Financing Lease, and the acquisition, construction, operation, use, condition, or possession of the Leased Asset, and any portion thereof, including:

(1) any accident in connection with the operation, use, occupancy, condition or possession of the Leased Asset resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the Lessee or the Lessor;

(2) patent, trademark or copyright infringement as a consequence of the operation, use, occupancy, or maintenance of the Leased Asset;

(3) strict liability in tort as a consequence of the operation, use, occupancy, or maintenance of the Leased Asset;

(4) any Claim based upon environmental law or regulation relating to the Leased Asset;

(5) any Claim of any nature directly arising from or related to the Leased Asset, which claim is based upon the operation of the Leased Asset from and after the Effective Date;

(6) the existence, placement, delivery, storage or release of hazardous materials on the Leased Asset, or contamination of property, arising therefrom; and

(7) either (a) the application of the Financing Funds, or other amounts treated as “gross proceeds” of the Proceeds Bonds in such manner that any portion of the Proceeds Bonds becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, with the result that interest on the Proceeds Bonds is or becomes subject to federal income taxation of the holder of the Proceeds Bonds; or (b) if as a result of any act, failure to act or use of the proceeds of any portion of the Financing Funds or the Leased Asset, or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Financing Lease or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Financing Lease, all or any portion of the interest on any portion of the Proceeds Bonds becomes subject to federal income taxation.

The indemnification arising under this Section 7.01 shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. Any party seeking indemnity hereunder shall promptly give notice to the Lessee of any Claim or liability hereby indemnified against upon learning of any circumstances giving rise to any such Claim or liability. The Lessee’s obligation to indemnify, defend, protect, hold harmless, save and keep harmless the Indemnified Parties as provided under this Section 7.01 shall arise immediately upon any claim covered under this Section 7.01 being asserted against an Indemnified Party, whether orally, in writing, or in any court or administrative action or proceeding.

SECTION 7.02. Events of Default.

(a) Each of the following events shall constitute an Event of Default under this Financing Lease and the terms Event of Default and “default” shall mean, whenever they are used in this Financing Lease, any one or more of the following events:

(1) The Lessee fails to pay to the Lessor or its assignee any Base Rental Payment or Additional Rental Payment required to be so paid by the close of business on the day such payment is required pursuant to Section 3.01(a) hereof, provided, that the failure to pay any Base Rental Payment abated pursuant to Section 3.04 hereof shall not constitute an Event of Default; or

(2) The Lessee breaches any material terms, covenants or conditions contained herein, or if any representation or warranty fails to be true, accurate, and correct in all material respects as determined by the Lessor in its sole and absolute discretion, and the Lessee

shall fail to remedy any such breach or failure of a representation or warranty with all reasonable dispatch within a period of sixty (60) days after written notice thereof from the Lessor to the Lessee; provided, however, that if the failure stated in the notice cannot be corrected within such period, then the Lessor shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within such period and is diligently pursued until the default is corrected.

Upon the occurrence of any of the events specified in subsection (a) or (c) of this Section 7.02 (in either case an "Event of Default"), it shall be lawful for the Lessor or its assignee, subject to the terms of this Financing Lease, to exercise any and all remedies available or granted to it pursuant to law, by statute, or hereunder.

(b) The Lessor or its assignee, in addition to all other rights and remedies it may have at law or in equity, shall have the option to do any of the following:

(1) To terminate this Financing Lease in the manner hereinafter provided on account of default by the Lessee, notwithstanding any retaking of possession or re-letting of the Leased Asset as hereinafter provided for in subparagraph (2) hereof, and to retake possession of the Leased Asset. In the event of such termination, the Lessee agrees to surrender immediately possession of the Leased Asset, without let or hindrance, and to pay the Lessor or its assignee all damages recoverable at law that the Lessor or its assignee may incur by reason of default by the Lessee, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such retaking possession of the Leased Asset. Neither notice to pay rent nor to deliver up possession of the Leased Asset given pursuant to law nor any proceeding in unlawful detainer, or otherwise, brought by the Lessor or its assignee for the purpose of obtaining possession of the Leased Asset nor the appointment of a receiver upon initiative of the Lessor or its assignee to protect the Lessor's or its assignee's interest under this Financing Lease shall of itself operate to terminate this Financing Lease, and no termination of this Financing Lease on account of default by the Lessee shall be or become effective by operation of law or acts of the parties hereto, unless and until the Lessor or its assignee shall have given written notice to the Lessee of the election on the part of the Lessor or its assignee to terminate this Financing Lease.

(2) Without terminating this Financing Lease, (i) to collect each installment of Rental Payment as it becomes due and enforce any other term or provision hereof to be kept or performed by the Lessee and/or (ii) to exercise any and all rights to retake possession of the Leased Asset. In the event the Lessor or its assignee does not elect to terminate this Financing Lease in the manner provided for in subparagraph (1) hereof, the Lessee shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the Lessee and, to pay the Rental Payments to the end of the term of this Financing Lease or, in the event that the Leased Asset is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payments deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder (without acceleration), notwithstanding the fact that the Lessor or its assignee may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the rental herein specified and notwithstanding any retaking of possession of the Leased Asset by the Lessor or its assignee or suit in unlawful detainer, or otherwise, brought by the Lessor or its assignee for the

purpose of obtaining possession of the Leased Asset. Should the Lessor or its assignee elect to retake possession of the Leased Asset as herein provided, the Lessee hereby irrevocably appoints the Lessor or its assignee as the agent and attorney-in-fact of the Lessee to re-let the Leased Asset, or any items thereof, from time to time, either in the Lessor's or its assignee's name or otherwise, upon such terms and conditions and for such use and period as the Lessor or its assignee may deem advisable and the Lessee hereby indemnifies and agrees to hold harmless the Lessor or its assignee from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any retaking of possession of and re-letting of the Leased Asset by the Lessor or its assignee or its duly authorized agents in accordance with the provisions herein contained. The Lessee agrees that the terms of this Financing Lease constitute full and sufficient notice of the right of the Lessor or its assignee to re-let the Leased Asset in the event of such reentry without effecting a surrender of this Financing Lease, and further agrees that no acts of the Lessor or its assignee in effecting such re-letting shall constitute a surrender or termination of this Financing Lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that on the contrary, in the event of such default by the Lessee the right to terminate this Financing Lease shall vest in the Lessor or its assignee to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The Lessee further waives the right to rental obtained by the Lessor or its assignee in excess of the rental herein specified and hereby conveys and releases such excess to the Lessor or its assignee as compensation to the Lessor or its assignee for its services in re-letting the Leased Asset or any items thereof. The Lessee further agrees to pay the Lessor or its assignee the cost of any alterations or repairs to the Leased Asset or any items thereof necessary to place the Leased Asset or any items thereof in condition for re-letting immediately upon notice to the Lessee of the completion and installation of such alterations or repairs. The rights granted the Lessor hereunder constitute a power coupled with an interest and cannot be revoked.

The Lessee hereby waives and releases any and all claims for damages caused or which may be caused by the Lessor or its assignee in taking possession of the Leased Asset as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Asset and all claims for damages to or loss of any property belonging to the Lessee, or any other person, that may be on or about the Leased Asset.

The Lessor expressly waives the right to receive any amount from the Lessee pursuant to section 1951.2(a)(3) of the California Civil Code.

(c) In addition to any default resulting from breach by the Lessee of any material agreement, condition, covenant or term hereof, or the failure of any representation or warranty to be true, accurate, and correct in all material respects as determined by the Lessor in its sole and absolute discretion, if (i) the Lessee's interest herein or any part thereof be assigned, sublet or transferred without the written consent of the Lessor (except as otherwise permitted by Section 2.04 hereof), either voluntarily or by operation of law; or (ii) the Lessee or any assignee shall file any petition or institute any proceedings under any act or acts, State or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the Lessee asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or

extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the Lessee shall make a general or any assignment for the benefit of its creditors; or (iii) the Lessee shall abandon or vacate the Leased Asset or any portion thereof (except as expressly permitted under this Financing Lease); then in each and every such case the Lessee shall be deemed to be in default hereunder.

SECTION 7.03. No Waiver.

A failure to enforce or waiver of any default by the Lessor shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the Lessor 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 of any such default, or an acquiescence therein, and every power and remedy conferred upon the Lessor by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Lessor. If a suit, action, or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Lessor, the Lessee and the Lessor shall be restored to their former positions, rights, and remedies as if such suit, action, or proceeding had not been brought or taken.

SECTION 7.04. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Financing Lease or now or hereafter existing at law or in equity. All remedies hereby conferred upon or reserved to the Lessor shall survive the termination of this Financing Lease.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Notices.

All written notices to be given hereunder shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Lessor:

California Infrastructure and Economic Development Bank
Attn: Loan Servicing Manager, Agreement No. ISRF 21-136
P.O. Box 2830
Sacramento, CA 95812-2830

For overnight mail or personal delivery only:

California Infrastructure and Economic Development Bank
Attn: Loan Servicing Manager, Agreement No. ISRF 21-136
1325 J Street, 13th Floor
Sacramento, CA 95814

If to the Lessee:

City of Goleta
Attn: Finance Director
130 Cremona Drive, Suite B
Goleta, CA 93117

SECTION 8.02 Contact Persons.

(a) The Executive Director of the Lessor or such other person as designated in writing by the Lessor shall manage this Financing Lease for the Lessor and shall have authority to make determinations and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under this Financing Lease.

(b) The Lessee's contact person shall be its Finance Director or such other person as may be designated in writing by the Lessee. The Lessee's Finance Director shall be the Lessee's representative for the administration of this Financing Lease and shall have full authority to act on behalf of the Lessee and may designate in writing another person or persons authorized to request disbursement of Financing Funds. All communications given to the Lessee's Finance Director shall be as binding as if given to the Lessee.

SECTION 8.03. Binding Effect.

This Financing Lease shall inure to the benefit of and shall be binding upon the Lessor and the Lessee and their respective successors and assignees.

SECTION 8.04. Third Party Beneficiaries.

The Trustee is hereby expressly designated as a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Trustee and for the purpose of the Trustee enforcing its own rights. Nothing in this Financing Lease, expressed or implied, is intended to give to any person other than the Lessor, Lessee, and any Trustee, any right, remedy, or claim under or by reason of this Financing Lease. All covenants, stipulations, promises, or agreements contained in this Financing Lease by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessor, the Trustee and their permitted assigns.

SECTION 8.05. Amendments to Financing Lease.

No term or provision of this Financing Lease may be waived or otherwise modified except by a written agreement signed by the Parties. The Parties acknowledge and agree that the previous sentence shall be interpreted, enforced, and adhered to strictly, notwithstanding any legal doctrine, rule, statute, or case law that may permit oral modification of this Financing Lease, or that may find under certain circumstances the portion of this Section 8.05 requiring all modifications to this Financing Lease be in writing is waived orally or by the Parties' conduct. To the greatest extent permissible under the law, the Parties hereby agree to waive any legal doctrine, rule, statute, or case law that permits, or could be construed to permit, modification of this Financing Lease by means other than a writing signed by both Parties.

SECTION 8.06. Expectations.

The undersigned is an authorized representative of the Lessee acting for and on behalf of the Lessee in executing this Financing Lease. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

SECTION 8.07. Partial Invalidity.

The illegality, unenforceability, or invalidity of any provision of this Financing Lease with regard to any Party or circumstance shall not render that provision illegal, unenforceable, or invalid with regard to any other Party or circumstance. All provisions of this Financing Lease, in all other respects, shall remain legal, enforceable, and valid to the fullest extent permitted by law. If any provision of this Financing Lease is held to be illegal, unenforceable, or invalid by a court of competent jurisdiction, then such provision shall be deemed severed from this Financing Lease and this Financing Lease shall be construed and enforced as if such illegal, unenforceable, or invalid provision had never been part hereof.

SECTION 8.08. California Law; Venue.

This Financing Lease shall be governed by and construed and interpreted in accordance with the laws of the State. Any proceeding arising out of or pertaining to this Financing Lease shall be filed in the Superior Court of Sacramento County, or in the United States District Court in and for the Eastern District of California, unless otherwise expressly agreed to by the Lessor in its discretion.

SECTION 8.09. 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 hereof.

SECTION 8.10. No Merger.

This Financing Lease shall not operate as a merger of the Lessee's leasehold estate in the Leased Asset pursuant to this Financing Lease and its estate in the Site.

SECTION 8.11 No Personal Liability.

No member, officer, attorney, agent, or employee of the Lessee shall be individually or personally liable for the payment of the principal of, premium, if any, or the interest under this Financing Lease; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

SECTION 8.12 Arm's Length Transaction.

The Lessee acknowledges and agrees that the Lessor is acting solely as Lessor under this Financing Lease and not as advisor to the Lessee, including that: (i) the transaction contemplated by the Lessor pursuant to this Financing Lease is an arm's-length commercial transaction, (ii) in connection therewith and with the financing discussions, undertakings and procedures leading up to the consummation of such transaction, the Lessor is and has been acting solely as a principal and is not acting as the agent or fiduciary of or an advisor of the Lessee, including, without limitation, a "Municipal Advisor" a such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules, (iii) the Lessor has not provided any advice or assumed an advisory or fiduciary responsibility in favor of the Lessee with respect to the financing contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Lessor, or any party related to the Lessor, has provided other services, or advised, or is currently providing other services, or advising, the Lessee on other matters) and the Lessor has no obligation to the Lessee with respect to the financing contemplated hereby except the obligations expressly set forth in this Financing Lease, (iv) the Lessor has financial interests that differ from those of the Lessee and (v) the Lessee has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

SECTION 8.13 Entire Agreement.

Except as expressly stated herein, this Financing Lease, together with the exhibits and attachments hereto and thereto, together with the Site Lease, constitutes the entire agreement among the Lessor, and the Lessee. Except as expressly stated herein, there are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Financing Lease or the Site acquisition financed hereunder. Any terms and conditions of any purchase order or other document submitted by the Lessee in connection with this Financing Lease which are in addition to or inconsistent with the terms and conditions of this Financing Lease will not be binding on the Lessor and will not apply to this Financing Lease.

SECTION 8.14 Successors and Assigns.

Subject to the terms and provisions of Section 2.04 of this Financing Lease governing the assignment of this Financing Lease by the Lessee, and all other terms and provisions of this Financing Lease governing the assignment hereof, this Financing Lease shall be binding on, and inure to the benefit of, the Parties' permitted successors and assigns to this Financing Lease.

SECTION 8.15 Time of the Essence.

Subject to the remainder of this Section 8.15, time is of the essence with respect to this Financing Lease and the performance of each obligation contained in this Financing Lease. Whenever the time for performance of any obligation under this Financing Lease, or if under this Financing Lease a Party must act by a particular time or date, or if an act is effective only if done by a particular time or date, and the last date for performance of such obligation or the doing or effectiveness of such act falls on a Saturday, Sunday, or legal holiday in the State of California or holiday of the Trustee, the time for performance of such obligation or the doing or effectiveness of such act shall be extended to the next day that is not a Saturday, Sunday, or a legal holiday in the State of California or a holiday of the Trustee. The first day shall be excluded and the last day shall be included when computing the time in which an obligation is to be performed or an act is to be done under this Financing Lease. Unless otherwise provided herein all time periods shall end at 5:00 p.m. California time.

SECTION 8.16 Form of Documents.

The form and substance of all documents and instruments to be delivered to the Lessor under the terms of this Financing Lease, if any, shall be at all times subject to the Lessor's approval, in its reasonable discretion. No document or instrument delivered to the Lessor, or to be delivered to the Lessor, or which is subject to the approval of the Lessor, shall be amended, modified, superseded, or terminated in any respect whatsoever without the Lessor's prior written approval.

SECTION 8.17 Waiver of Consequential Damages.

To the fullest extent permitted by law, each Party shall not assert, and hereby waives, any claim against the other Party on any theory of liability, for special, indirect, consequential, or punitive damages (as opposed to direct actual damages) arising from, or in connection with, this Financing Lease or the Site Lease.

SECTION 8.18 Execution in Counterparts.

This Financing Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 8.19 Usury Savings.

Nothing herein shall be construed as entitling the Lessor to charge, receive, or collect interest in a sum greater than the maximum interest rate permitted to be charged by the Lessor to the Lessee under applicable law (the “Maximum Rate”). The Parties intend that this Financing Lease shall comply with applicable law and that the rate or rates of interest charged hereunder shall not exceed the Maximum Rate. If the occurrence of any circumstance, event or contingency should cause such interest to exceed interest at the Maximum Rate, any such excess amount shall be applied to the reduction of the unpaid principal component of the Base Rental Payments. As used herein, the term “applicable law” shall mean the law in effect as of the date hereof; provided, however, that in the event there is a change in the law which results in a different permissible rate of interest, then this Financing Lease shall be governed by such new law as of its effective date.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have executed this Financing Lease by their officers thereunto duly authorized as of the dates set forth below.

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK

By _____
William D. Pahland, Jr.,
General Counsel

Date _____

Attest

By _____
Stefan R. Spich
Secretary of the Board of Directors

CITY OF GOLETA

By _____
Michelle Greene,
City Manager

Date _____

Attest

By _____
Name _____
Title _____

EXHIBIT A

Reserved

EXHIBIT B

DESCRIPTION OF THE LEASED ASSET

Legal description of real property and improvements thereon (the Leased Asset) to be leased:

PARCEL ONE:

That certain portion of Lot 8 of Tract 13,072, in the City of Goleta, County of Santa Barbara, State of California, as per map recorded April 29, 1983 in Book 124, Pages 4 through 9, inclusive, of Maps, in the Office of the County Recorder of said County and amended pursuant to Certificate of Correction recorded October 31, 1984 as Instrument No. 84-59247 of Official Records of said County, and that portion of the Westerly half of Orvieto Way adjoining said Lot 8 on the East, as vacated and abandoned by Resolution No. 87-25 of the Board of Supervisors of the County of Santa Barbara recorded January 27, 1987 as Instrument No. 1987-006561 of Official Records of said County, more particularly described as follows:

Beginning at a point on the South line of said Lot 8 lying distant North $80^{\circ}21'38''$ East 337.69 feet from the Southwest corner thereof; thence, leaving said South line,

1st, North $9^{\circ}38'22''$ West a distance of 364.05 feet to a point on the North line of said Lot 8, being also the Southerly right-of-way line of Los Carneros Road, said point being the beginning of a non-tangent curve, concave Northerly and having a radial center which bears North $13^{\circ}18'06''$ West a distance of 1052.00 feet; thence, leaving said North line and curve,

2nd, Easterly, through the central angle of $2^{\circ}07'08''$, an arc distance of 38.91 feet to an angle point in said North line, being the beginning of a non-tangent curve, concave Southwesterly and having a radial center which bears South $7^{\circ}23'04''$ West a distance of 1000.53 feet; thence, leaving said Southerly right-of-way line and along said curve and North line,

3rd, Southeasterly, through a central angle of $14^{\circ}00'54''$, an arc distance of 244.74 feet to the centerline of Orvieto Way, vacated by said Resolution No. 87-25, being the beginning of a non-tangent curve, concave Westerly and having a radial center which bears South $69^{\circ}48'55''$ West a distance of 790.00 feet; thence, along said curve and centerline,

4th, Southerly, through a central angle of $19^{\circ}31'17''$, an arc distance of 269.16 feet to the intersection with the Easterly prolongation of said South line of Lot 8; thence, along said South line and the prolongation thereof,

5th, South $80^{\circ}21'38''$ West a distance of 265.41 feet to the point of beginning.

Said property is described in that certain "City of Goleta – Certificate of Compliance of a Portion of Assessor's Parcel Number 073-330-014" recorded November 4, 2019 as Instrument No. 2019-0050348 of Official Records.

PARCEL TWO:

Non-exclusive, mutually reciprocal surface easements for access, ingress, egress and use and enjoyment of, to, and over the common facilities for passage and parking of vehicles, passage of pedestrian traffic and non-exclusive subterranean easements for utility facilities, as contained in Declaration of Reciprocal Covenants, Conditions, Restrictions and Easements for Parcel 6 recorded December 28, 1989 as Instrument No. 89-086505 of Official Records of Santa Barbara County.

EXHIBIT C

LESEE'S APPROVING RESOLUTION

[See attached]

EXHIBIT D

DISBURSEMENT CONDITIONS

A. Conditions Precedent to Disbursement

No Financing Funds shall be disbursed pursuant to this Financing Lease until and unless Lessee has submitted the following to the Lessor:

- (1) Insurance certificates required by Section 4.03.

EXHIBIT E

BASE RENTAL PAYMENTS

Payment Date	Ending Principal Balance	Principal Component	Interest Component	Base Rental Payment	Additional Rental Payment	Total Payment	Total Payment Fiscal Year Ending June 30
21-Aug-2020	\$10,000,000.00						
1-Feb-2021			\$117,333.33	\$117,333.33		\$117,333.33	\$117,333.33
1-Aug-2021	\$9,777,260.45	\$222,739.55	\$132,000.00	\$354,739.55	\$30,000.00	\$384,739.55	
1-Feb-2022			\$129,059.84	\$129,059.84		\$129,059.84	\$513,799.39
1-Aug-2022	\$9,548,640.58	\$228,619.87	\$129,059.84	\$357,679.71	\$29,331.78	\$387,011.49	
1-Feb-2023			\$126,042.06	\$126,042.06		\$126,042.06	\$513,053.55
1-Aug-2023	\$9,313,985.14	\$234,655.44	\$126,042.06	\$360,697.49	\$28,645.92	\$389,343.41	
1-Feb-2024			\$122,944.60	\$122,944.60		\$122,944.60	\$512,288.02
1-Aug-2024	\$9,073,134.81	\$240,850.34	\$122,944.60	\$363,794.94	\$27,941.96	\$391,736.90	
1-Feb-2025			\$119,765.38	\$119,765.38		\$119,765.38	\$511,502.28
1-Aug-2025	\$8,825,926.02	\$247,208.79	\$119,765.38	\$366,974.17	\$27,219.40	\$394,193.57	
1-Feb-2026			\$116,502.22	\$116,502.22		\$116,502.22	\$510,695.80
1-Aug-2026	\$8,572,190.92	\$253,735.10	\$116,502.22	\$370,237.32	\$26,477.78	\$396,715.10	
1-Feb-2027			\$113,152.92	\$113,152.92		\$113,152.92	\$509,868.02
1-Aug-2027	\$8,311,757.21	\$260,433.71	\$113,152.92	\$373,586.63	\$25,716.57	\$399,303.20	
1-Feb-2028			\$109,715.20	\$109,715.20		\$109,715.20	\$509,018.40
1-Aug-2028	\$8,044,448.05	\$267,309.16	\$109,715.20	\$377,024.35	\$24,935.27	\$401,959.62	
1-Feb-2029			\$106,186.71	\$106,186.71		\$106,186.71	\$508,146.34
1-Aug-2029	\$7,770,081.93	\$274,366.12	\$106,186.71	\$380,552.83	\$24,133.34	\$404,686.18	
1-Feb-2030			\$102,565.08	\$102,565.08		\$102,565.08	\$507,251.26
1-Aug-2030	\$7,488,472.55	\$281,609.38	\$102,565.08	\$384,174.47	\$23,310.25	\$407,484.71	
1-Feb-2031			\$98,847.84	\$98,847.84		\$98,847.84	\$506,332.55
1-Aug-2031	\$7,199,428.68	\$289,043.87	\$98,847.84	\$387,891.71	\$22,465.42	\$410,357.13	
1-Feb-2032			\$95,032.46	\$95,032.46		\$95,032.46	\$505,389.59
1-Aug-2032	\$6,902,754.05	\$296,674.63	\$95,032.46	\$391,707.09	\$21,598.29	\$413,305.37	
1-Feb-2033			\$91,116.35	\$91,116.35		\$91,116.35	\$504,421.73
1-Aug-2033	\$6,598,247.20	\$304,506.84	\$91,116.35	\$395,623.19	\$20,708.26	\$416,331.46	
1-Feb-2034			\$87,096.86	\$87,096.86		\$87,096.86	\$503,428.32
1-Aug-2034	\$6,285,701.38	\$312,545.82	\$87,096.86	\$399,642.68	\$19,794.74	\$419,437.43	
1-Feb-2035			\$82,971.26	\$82,971.26		\$82,971.26	\$502,408.68
1-Aug-2035	\$5,964,904.35	\$320,797.03	\$82,971.26	\$403,768.29	\$18,857.10	\$422,625.39	
1-Feb-2036			\$78,736.74	\$78,736.74		\$78,736.74	\$501,362.13
1-Aug-2036	\$5,635,638.28	\$329,266.07	\$78,736.74	\$408,002.81	\$17,894.71	\$425,897.52	
1-Feb-2037			\$74,390.43	\$74,390.43		\$74,390.43	\$500,287.95
1-Aug-2037	\$5,297,679.58	\$337,958.70	\$74,390.43	\$412,349.12	\$16,906.91	\$429,256.04	
1-Feb-2038			\$69,929.37	\$69,929.37		\$69,929.37	\$499,185.41
1-Aug-2038	\$4,950,798.78	\$346,880.81	\$69,929.37	\$416,810.18	\$15,893.04	\$432,703.22	
1-Feb-2039			\$65,350.54	\$65,350.54		\$65,350.54	\$498,053.76
1-Aug-2039	\$4,594,760.32	\$356,038.46	\$65,350.54	\$421,389.00	\$14,852.40	\$436,241.40	
1-Feb-2040			\$60,650.84	\$60,650.84		\$60,650.84	\$496,892.24
1-Aug-2040	\$4,229,322.44	\$365,437.88	\$60,650.84	\$426,088.71	\$13,784.28	\$439,872.99	
1-Feb-2041			\$55,827.06	\$55,827.06		\$55,827.06	\$495,700.05
1-Aug-2041	\$3,854,237.01	\$375,085.44	\$55,827.06	\$430,912.49	\$12,687.97	\$443,600.46	
1-Feb-2042			\$50,875.93	\$50,875.93		\$50,875.93	\$494,476.39
1-Aug-2042	\$3,469,249.32	\$384,987.69	\$50,875.93	\$435,863.62	\$11,562.71	\$447,426.33	
1-Feb-2043			\$45,794.09	\$45,794.09		\$45,794.09	\$493,220.42
1-Aug-2043	\$3,074,097.95	\$395,151.37	\$45,794.09	\$440,945.46	\$10,407.75	\$451,353.20	
1-Feb-2044			\$40,578.09	\$40,578.09		\$40,578.09	\$491,931.30
1-Aug-2044	\$2,668,514.59	\$405,583.36	\$40,578.09	\$446,161.45	\$9,222.29	\$455,383.75	
1-Feb-2045			\$35,224.39	\$35,224.39		\$35,224.39	\$490,608.14
1-Aug-2045	\$2,252,223.83	\$416,290.76	\$35,224.39	\$451,515.15	\$8,005.54	\$459,520.70	
1-Feb-2046			\$29,729.35	\$29,729.35		\$29,729.35	\$489,250.05
1-Aug-2046	\$1,824,942.99	\$427,280.84	\$29,729.35	\$457,010.19	\$6,756.67	\$463,766.86	
1-Feb-2047			\$24,089.25	\$24,089.25		\$24,089.25	\$487,856.11
1-Aug-2047	\$1,386,381.94	\$438,561.05	\$24,089.25	\$462,650.30	\$5,474.83	\$468,125.13	
1-Feb-2048			\$18,300.24	\$18,300.24		\$18,300.24	\$486,425.37
1-Aug-2048	\$936,242.87	\$450,139.06	\$18,300.24	\$468,439.31	\$4,159.15	\$472,598.45	
1-Feb-2049			\$12,358.41	\$12,358.41		\$12,358.41	\$484,956.86
1-Aug-2049	\$474,220.14	\$462,022.74	\$12,358.41	\$474,381.14	\$2,808.73	\$477,189.87	
1-Feb-2050			\$6,259.71	\$6,259.71		\$6,259.71	\$483,449.58
1-Aug-2050		\$474,220.14	\$6,259.71	\$480,479.84	\$1,422.66	\$481,902.50	
							\$481,902.50
Total Payments:		\$10,000,000.00	\$4,587,519.76	\$14,587,519.76	\$522,975.73	\$15,110,495.49	\$15,110,495.49

EXHIBIT F

FORM OF LEGAL OPINION OF COUNSEL TO THE LESSEE

[City of Goleta
City Hall
130 Cremona Dr # B,
Goleta, CA 93117]

California Infrastructure and Economic Development Bank
1325 J St., 13th Floor
Sacramento, CA 95814

Re: Financing Lease, By and Among the City of Goleta, as Lessee, and the
 California Infrastructure and Economic Development Bank (“IBank”), as
 Lessor, dated as of _____, 20__, and Site Lease By and Among
 the City of Goleta, as Lessor, and IBank, as Lessee, dated as of
 _____, 20__.

Ladies and Gentlemen:

In our capacity as legal counsel to the City of Goleta (the “City”) and in connection with the above described Financing Lease and Site Lease (collectively, the “Agreements”), we have examined the laws pertaining to the City; copies of the Agreements; Resolution No. _____, adopted _____, 20__ (the “Resolution”); and such other information and documents as we considered necessary to render this opinion.

In our examination, we have assumed, without independent investigation, the authenticity of all documents submitted to us as originals, of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents and the accuracy of the statements and representations contained in such documents. In addition, we have assumed the authority of and due execution by each of the parties to the documents other than the District.

As used in this opinion, the phrase “current actual knowledge” means knowledge as we have obtained from (i) the representations and warranties contained in the Agreement and the Resolution, and (ii) knowledge of facts or other information currently known to lawyers currently in our firm who have performed legal services for the City.

Relying on such examination and pertinent law and subject to the limitations and qualifications hereinafter set forth, we are of the opinion that:

1. The City is a general law city, duly organized, existing and operating under the Constitution and laws of the State.

2. The Resolution and other actions of the City approving and authorizing the execution and delivery of the Agreements were duly adopted at meetings of the governing body of the City which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such approval and authority is continuing and in full force and effect as of the date hereof;

3. The City has the full right and lawful authority to execute, enter into, and deliver the Agreements, and the Agreements have been duly authorized and executed on behalf of the City. The Agreements are the legal, valid and binding obligations of the City, enforceable in accordance with their terms, except to the extent limited by State and federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights;

4. The execution and delivery of the Agreements and compliance with the provisions thereof, under the circumstances contemplated thereby, does not and will not, in any material respect, conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

5. Based on our current actual knowledge, and based upon a litigation search performed on _____, there is no action, suit, proceeding, inquiry or investigation before or by any court or public body pending or threatened against or affecting the City: (1) challenging or questioning the transactions contemplated by the Agreements or any other agreement, document or certificate related to such transactions; (2) challenging or questioning the creation, organization, existence or powers of the City; (3) seeking to enjoin or restrain the execution of the Agreements or the Acquisition of the Site (as defined in the Financing Lease) or the collection of any of the revenues used for making payments under the Financing Lease; (4) in any way questioning or affecting any of the rights, powers, duties or obligations of the City with respect to the obligation to budget and appropriate funds as contemplated by the Financing Lease; (5) in any way questioning or affecting any authority for the execution of the Agreements or the validity or enforceability of the Agreements; or (6) in any way questioning or affecting any other agreement or instrument relating to the Agreements to which the City is a party.

Our opinion is further qualified by the following:

(a) We express no opinion with respect to the laws of any state or jurisdiction other than California and the United States regarding the enforceability of any transaction mentioned

herein or the interpretation, authorization, execution, validity, enforceability or effect of any of the documents mentioned herein; provided further that we express no opinion with respect to California or federal tax and securities law.

(b) As City Attorney in this matter, we have not rendered financial advice to the City and do not represent by this opinion, or otherwise, that we reviewed or made any assessment about, nor do we express any opinion about, the ability of the City to pay debt service or amounts due under the Agreements.

(c) We express no opinion as to the validity and enforceability of any indemnity or liquidated damages provisions.

(d) This opinion speaks only as of its date and we have undertaken no obligation to update this letter.

This letter is furnished by us as City Attorney to the City. This letter speaks only as of its date and is delivered to the addressees solely for their benefit as participants in the Agreements, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. However, this opinion may be relied upon by IBank's successors and assigns, as authorized under the Agreements.

We bring to your attention the fact that our conclusions are an expression of professional judgment and are not a guarantee of a result.

Sincerely,

for BEST BEST & KRIEGER LLP

EXHIBIT G

Reserved

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ATTACHMENT 3

**SITE LEASE
BY AND BETWEEN THE CITY AND IBANK
DATED AS OF AUGUST 1, 2020**

Recording Requested By and Return To:

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK
Attention: Loan Program Manager
1325 J Street, 13th Floor
Sacramento, CA 95814

This document is recorded for the benefit of the CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK and the recording is fee-exempt under Section 27383 of
the California Government Code.

SITE LEASE

by and between the

**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

and the

CITY OF GOLETA

Agreement No. ISRF 21-136

Dated as of August 1, 2020

SITE LEASE

THIS SITE LEASE (the "Site Lease"), is dated as of August 1, 2020, by and between CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (hereinafter referred to as "IBank" or "Site Lessee"), duly organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing at section 63000 thereof) as now in effect and as it may from time to time hereafter be amended (the "Act") and City of Goleta, a municipal corporation duly organized and existing under the laws of the State of California (the "Site Lessor"). IBank and the Site Lessor are hereinafter collectively referred to at time as the "Parties" and individually as a "Party." Terms and words used herein with their initial letter, or letters, capitalized shall have the meanings set forth in Section 1.01 of the Financing Lease (defined below), or the meanings set forth in this paragraph, as applicable.

W I T N E S S E T H:

WHEREAS, IBank intends to assist the Site Lessor pursuant to the Act by financing and/or refinancing the Site Lessor's acquisition of the Site;

WHEREAS, the Site Lessor previously acquired the Site, improved real property commonly known as 130 Cremona Drive, Goleta, California, all as more particularly described in Exhibit A attached hereto and incorporated herein (as defined in the Financing Lease, the "Site");

WHEREAS, IBank intends to lease the Site from the Site Lessor pursuant to this Site Lease;

WHEREAS, upon execution of this Site Lease and the lease of the Site to IBank, IBank intends to enter into a financing lease of even date herewith (herein called the "Financing Lease") with the Site Lessor. Pursuant to the Financing Lease, IBank, as lessor, intends to lease the Leased Asset to the Site Lessor, as lessee.;

WHEREAS, the Site Lessor intends to enter into this Site Lease and the Financing Lease with IBank, and perform its obligations hereunder and thereunder, as material consideration for IBank's agreement to finance and/or refinance a portion of the Site Lessor's costs of acquiring the Site;

WHEREAS, IBank has issued and may issue Proceeds Bonds, the proceeds of which may be used to provide all or a portion of the Financing Funds;

WHEREAS, IBank may pledge its rights, including the rights to receive payments, under the Financing Lease and this Site Lease to secure the Secured Bonds that it has issued, or that it may issue, for the benefit of its programs; and

WHEREAS, the Site Lessor acknowledges that the issuance or existence of both the Secured Bonds and Proceeds Bonds impacts its rights and obligations hereunder and under the Financing Lease.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. Site.

The Site Lessor hereby leases to IBank and IBank hereby leases from the Site Lessor, on the terms and conditions hereinafter set forth, the Site.

SECTION 2. Assignment by IBank.

In connection with the Proceeds Bonds and the Secured Bonds, the Site Lessor acknowledges that certain of the rights of IBank hereunder may be assigned, in IBank's sole and absolute discretion, to one or more Trustees under one or more indentures. The Site Lessor agrees to execute all documents which may be requested by IBank or any such Trustees to protect their interests hereunder during the term hereof.

SECTION 3. Term.

The term of this Site Lease shall commence on the Effective Date, and shall end on the Expiry Date, unless the Expiry Date is extended, or is sooner terminated, as provided in the Financing Lease. If on the Expiry Date the rental payable under the Financing Lease shall not be fully paid, or if the rental payable under the Financing Lease shall have been abated at any time and for any reason, then the term of this Site Lease shall, automatically and without amendment, be extended until the new Expiry Date as shall be defined under the Financing Lease. If, prior to the Expiry Date, all amounts payable under the Financing Lease and this Site Lease have been fully paid in accordance with the terms of the Financing Lease and this Site Lease, respectively, the term of the Site Lease shall end.

SECTION 4. Rental.

IBank shall pay to the Site Lessor as and for rental for the entire term hereunder the sum of One Dollar (\$1), all of which rental shall be payable as an offset to amounts owed by the Site Lessor to IBank under the Financing Lease. In addition to the foregoing rental payment, IBank may pay to the Site Lessor as and for rental hereunder such surplus moneys, if any, as shall be paid over to the Site Lessor pursuant to the Financing Lease.

SECTION 5. Purpose.

IBank shall use the Site solely for the purpose of leasing the Site to the Site Lessor pursuant to the Financing Lease and for such purposes as may be incidental thereto, provided, that in the event of default by the Site Lessor under the Financing Lease, IBank may exercise the rights and remedies provided in the Financing Lease.

SECTION 6. Right of Entry.

The Site Lessor reserves the right for any of its duly authorized representatives or designees to enter upon the Site (and any improvements located thereon) at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7. Termination.

IBank agrees, upon the termination or expiration of this Site Lease, to quit and surrender the Site in its "as-is" condition to the Site Lessor, and agrees that any permanent improvements and structures existing upon the Site at the time of such termination or expiration of this Site Lease shall remain thereon and title thereto shall vest in the Site Lessor. IBank shall have no responsibility to maintain, repair, or reconstruct the Site and any improvements and structures located thereon.

SECTION 8. Default.

In the event IBank defaults in the performance of any material obligation on its part to be performed under the terms of this Site Lease, which default continues for sixty (60) days following notice and demand for correction thereof made to IBank by the Site Lessor, the Site Lessor may exercise any and all remedies granted to it by law, except that no merger of this Site Lease and of the Financing Lease shall be deemed to occur as a result thereof; provided, however, that the Site Lessor shall have no power to terminate this Site Lease by reason of any default on the part of IBank if such termination would affect or impair any assignment or sublease of all or any part of the Site, and any improvement thereon, then in effect between IBank and any assignee or subtenant of IBank (other than the Site Lessor under the Financing Lease); and so long as any assignee or subtenant of IBank shall duly perform the terms and conditions of this Site Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Site Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment or sublease; provided further, however, that so long as the Financing Lease remains in effect, any amounts payable hereunder to IBank or its assignees (by the terms of such assignment or sublease) shall continue to be paid to IBank or its assignees. In the event any such default is not reasonably susceptible to cure within said sixty (60) day period, then IBank shall not be in default hereunder by reason of its failure to cure such default so long as IBank has commenced efforts to cure such default within said sixty (60) day period and diligently pursues the cure of such default until correction.

SECTION 9. Quiet Enjoyment.

IBank at all times during the term of this Site Lease, subject to the provisions of Section 8 hereof, shall peaceably and quietly have, hold and enjoy all of the Site and any improvements located thereon.

SECTION 10. Waiver of Personal Liability.

All liabilities under this Site Lease on the part of IBank are solely liabilities of IBank as an entity of the government of the State of California, and the Site Lessor hereby releases each and every member, officer, agent and employee of IBank of and from any personal or individual liability for negligence under this Site Lease. All liabilities under this Site Lease on the part of the Site Lessor are solely liabilities of the Site Lessor as a public instrumentality under the laws of the State of California, and IBank hereby releases each and every member, officer, agent and employee of the Site Lessor of and from any personal or individual liability for negligence under this Site Lease.

SECTION 11. Taxes.

The Site Lessor covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site (including both land and improvements); provided, however, that the Site Lessor shall not pay any possessory interest taxes levied as a result of any assignment or sublease of all or any part of the Site then in effect between IBank and any assignee or subtenant of IBank (other than the Site Lessor under the Financing Lease).

SECTION 12. Eminent Domain.

In the event the whole or any part of the Site, including any improvement thereon, is taken permanently or temporarily under the power of eminent domain, the interest of IBank shall be recognized and is hereby determined to be the amount of the then unpaid indebtedness incurred or advanced by IBank to finance or refinance the acquisition of the Site under the Financing Lease, including the unpaid principal and interest components of Base Rental Payments as well as any Additional Rental Payments payable under the Financing Lease.

SECTION 13. Loss, Damage, or Destruction.

IBank shall not be obligated to procure or maintain any insurance providing coverage for loss, damage, or destruction to the Site or any improvement thereon. IBank shall be under no obligation or liability for any loss, damage, or destruction to the Site or any improvement thereon, and shall not be obligated to repair, rehabilitate, or maintain, the Site or any improvement thereon, unless IBank is solely responsible by reason of its direct, active, conduct for such loss, damage, or destruction.

SECTION 14. Covenant to Enter into a Replacement Site Lease and Financing Lease.

The Site Lessor acknowledges that IBank has issued or may issue Proceeds Bonds or Secured Bonds subsequent to the Effective Date of this Site Lease, and that, if issued, the Site Lessor hereby covenants and agrees to enter into a replacement site lease and a replacement financing lease to replace this Site Lease and the Financing Lease. The Site Lessor understands and acknowledges that time is of the essence with respect to entry into such replacement site lease and replacement financing lease as such timing is mandated by Federal tax laws applicable to IBank's Proceeds Bonds and/or Secured Bonds. So long as the terms of the subsequent site

lease and financing lease are substantially identical to the terms of this Site Lease and the Financing Lease, the Site Lessor hereby covenants and agrees to timely execute the new documents, cooperate with IBank in good faith and provide related certifications and other documents in a timely manner.

SECTION 15. License to Access Site Utilities and Parking.

The Site Lessor hereby irrevocably grants to IBank and IBank hereby accepts from the Site Lessor, during the term of this Site Lease, a license for ingress and egress to the Site and any improvements thereon.

The Site Lessor agrees to provide or cause to be provided to IBank, at reasonable rates and charges payable by IBank, its assigns or sublessees, adequate parking spaces and such utility services, including electricity, gas, water, sewer, garbage disposal, heating, air conditioning and telephone, as the Site Lessor provides or causes to be provided to structures similar to those situated on the Site.

SECTION 16. Notices.

All written notices to be given hereunder shall be given by first class mail to the Party entitled thereto at its address set forth below, or at such other address as such Party may provide to the other Parties in writing from time to time, namely:

If to IBank:

California Infrastructure and Economic Development Bank
Attn: Loan Program Manager, ISRF 21-136
P.O. Box 2830
Sacramento, CA 95812-2830

For overnight mail or personal delivery only:

California Infrastructure and Economic Development Bank
Attn: Loan Program Manager, ISRF 21-136
1325 J Street, 13th Floor
Sacramento, CA 95814

If to the Site Lessor:

City of Goleta
Attn: Finance Director
130 Cremona Drive, Suite B
Goleta, California 93117

SECTION 17. Contact Persons.

(a) The Executive Director of IBank or such other person as designated in writing by IBank shall manage this Site Lease for IBank and shall have authority to make determinations and findings with respect to each controversy arising under or in connection with the interpretation or performance under this Site Lease.

(b) The Site Lessor's contact person shall be its Finance Director or such other person as may be designated in writing by the Site Lessor. The Site Lessor's Finance Director shall be the Site Lessor's representative for the administration of this Site Lease and shall have full authority to act on behalf of the Site Lessor and may designate in writing another person or persons authorized to act on behalf of the Site Lessor. All communications given to the Site Lessor's Finance Director shall be as binding as if given to the Site Lessor.

SECTION 18. Binding Effect.

This Site Lease shall inure to the benefit of and shall be binding upon IBank and the Site Lessor and their respective permitted successors and assignees.

SECTION 19. Third Party Beneficiaries.

The Trustee is hereby expressly designated as a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Trustee and for the purpose of the Trustee enforcing its own rights. Nothing in this Site Lease, expressed or implied, is intended to give to any person other than IBank, the Site Lessor, and the Trustee, any right, remedy, or claim under or by reason of this Site Lease. All covenants, stipulations, promises, or agreements contained in this Site Lease by and on behalf of the Site Lessor shall be for the sole and exclusive benefit of the IBank, the Trustee and their permitted assigns.

SECTION 20. Amendments to Site Lease.

No term or provision of this Site Lease may be waived or otherwise modified except by a written agreement signed by the Parties. The Parties acknowledge and agree that the previous sentence shall be interpreted, enforced, and adhered to strictly, notwithstanding any legal doctrine, rule, statute, or case law that may permit oral modification of this Site Lease, or that may find under certain circumstances the portion of this Section 20 requiring all modifications to this Site Lease be in writing is waived orally or by the Parties' conduct. To the greatest extent permissible under the law, the Parties hereby agree to waive any legal doctrine, rule, statute, or case law that permits, or could be construed to permit, modification of this Site Lease by means other than a writing signed by both Parties.

SECTION 21. Expectations.

The undersigned is an authorized representative of the Site Lessor acting for and on behalf of the Site Lessor in executing this Site Lease. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

SECTION 22. Partial Invalidity.

The illegality, unenforceability, or invalidity of any provision of this Site Lease with regard to any Party or circumstance shall not render that provision illegal, unenforceable, or invalid with regard to any other Party or circumstance. All provisions of this Site Lease, in all other respects, shall remain legal, enforceable, and valid to the fullest extent permitted by law. If any provision of this Site Lease is held to be illegal, unenforceable, or invalid by a court of competent jurisdiction, then such provision shall be deemed severed from this Site Lease and this Site Lease shall be construed and enforced as if such illegal, unenforceable, or invalid provision had never been part hereof.

SECTION 23. California Law; Venue.

This Site Lease shall be governed by and construed and interpreted in accordance with the laws of the State. Any proceeding arising out of or pertaining to this Site Lease shall be filed in the Superior Court of Sacramento County, or in the United States District Court in and for the Eastern District of California, unless otherwise expressly agreed to by IBank in its sole and absolute discretion.

SECTION 24. 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 hereof.

SECTION 25. No Merger.

This Site Lease shall not operate as a merger of the Site Lessor's Fee estate in the Site, and any improvements thereon, and its leasehold estate in the Site, and any improvements thereon, pursuant to the Financing Lease.

SECTION 26. No Personal Liability.

No member, officer, attorney, agent, or employee of IBank shall be individually or personally liable for the performance of any obligation under this Site Lease; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

SECTION 27. Arm's Length Transaction.

The Site Lessor acknowledges and agrees that (i) the transaction contemplated by IBank pursuant to this Site Lease is an arm's-length commercial transaction, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, IBank is and has been acting solely as a principal and is not acting as the agent or fiduciary of or in any way advising the Site Lessor, (iii) IBank has not assumed an advisory or fiduciary responsibility in favor of the Site Lessor with respect to the transaction

contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether IBank has provided other services or is currently providing other services to the Site Lessor on other matters) and IBank has no obligation to the Site Lessor with respect to the transaction contemplated hereby except the obligations expressly set forth in this Site Lease and (iv) the Site Lessor has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

SECTION 28. Entire Agreement.

Except as expressly stated herein, this Site Lease, together with the exhibits and attachments hereto, and together with the Financing Lease, constitutes the entire agreement among IBank and the Site Lessor. Except as expressly stated herein, there are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Site Lease. Any terms and conditions of any document submitted by the Site Lessor in connection with this Site Lease which are in addition to or inconsistent with the terms and conditions of this Site Lease will not be binding on IBank and will not apply to this Site Lease.

SECTION 29. Time of the Essence.

Subject to the remainder of this Section 29, time is of the essence with respect to this Site Lease and the performance of each obligation contained in this Site Lease. Whenever the time for performance of any obligation under this Site Lease, or if under this Site Lease a Party must act by a particular time or date, or if an act is effective only if done by a particular time or date, and the last date for performance of such obligation or the doing or effectiveness of such act falls on a Saturday, Sunday, or legal holiday in the State or holiday of the Trustee, the time for performance of such obligation or the doing or effectiveness of such act shall be extended to the next day that is not a Saturday, Sunday, or a legal holiday in the State or a holiday of the Trustee. The first day shall be excluded and the last day shall be included when computing the time in which an obligation is to be performed or an act is to be done under this Site Lease. Unless otherwise provided herein all time periods shall end at 5:00 p.m. California time.

SECTION 30. Form of Documents.

The form and substance of all documents and instruments to be delivered to IBank under the terms of this Site Lease, if any, shall be at all times subject to IBank's approval, in its reasonable discretion. No document or instrument delivered to IBank, or to be delivered to IBank, or which is subject to the approval of IBank, shall be amended, modified, superseded, or terminated in any respect whatsoever without IBank's prior written approval.

SECTION 31. Actions.

IBank shall have the right to commence, appear in or defend any action or proceeding purporting to affect the Leased Asset or the rights, duties or liabilities of IBank or the Site Lessor under the Site Lease. In exercising such right, IBank may incur and pay costs and expenses, including, but not limited to, attorney's fees and court costs. The Site Lessor agrees to pay

IBank upon demand all such expenses, incurred or paid by IBank together with interest thereon at the legal rate, from the date such expenses were incurred or paid by IBank.

SECTION 32. Waiver of Consequential Damages.

To the fullest extent permitted by law, the Site Lessor shall not assert, and hereby waives, any claim against IBank on any theory of liability, for special, indirect, consequential, or punitive damages (as opposed to direct actual damages) arising from, or in connection with, this Site Lease.

SECTION 33. Execution in Counterparts.

This Site Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Site Lessor and IBank have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF GOLETA, as Site Lessor

By _____
Michelle Greene,
City Manager

Attest

By _____
Name _____
Title _____

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK, as Site
Lessee

By _____
William D. Pahland, Jr.,
General Counsel

Attest

By _____
Stefan R. Spich
Secretary of the Board of Directors

EXHIBIT A

LEGAL DESCRIPTION OF THE SITE

Legal description of the real property and improvements thereon (the "Site") to be leased hereunder:

Street address: 130 Cremona Drive, Goleta, California 93117.

Legal Description:

The land referred to herein is situated in the State of California, County of Santa Barbara, City of Goleta and described as follows:

PARCEL ONE:

That certain portion of Lot 8 of Tract 13,072, in the City of Goleta, County of Santa Barbara, State of California, as per map recorded April 29, 1983 in Book 124, Pages 4 through 9, inclusive, of Maps, in the Office of the County Recorder of said County and amended pursuant to Certificate of Correction recorded October 31, 1984 as Instrument No. 84-59247 of Official Records of said County, and that portion of the Westerly half of Orvieto Way adjoining said Lot 8 on the East, as vacated and abandoned by Resolution No. 87-25 of the Board of Supervisors of the County of Santa Barbara recorded January 27, 1987 as Instrument No. 1987-006561 of Official Records of said County, more particularly described as follows:

Beginning at a point on the South line of said Lot 8 lying distant North 80°21'38" East 337.69 feet from the Southwest corner thereof; thence, leaving said South line,

1st, North 9°38'22" West a distance of 364.05 feet to a point on the North line of said Lot 8, being also the Southerly right-of-way line of Los Carneros Road, said point being the beginning of a non-tangent curve, concave Northerly and having a radial center which bears North 13°18'06" West a distance of 1052.00 feet; thence, leaving said North line and curve,

2nd, Easterly, through the central angle of 2°07'08", an arc distance of 38.91 feet to an angle point in said North line, being the beginning of a non-tangent curve, concave Southwesterly and having a radial center which bears South 7°23'04" West a distance of 1000.53 feet; thence, leaving said Southerly right-of-way line and along said curve and North line,

3rd, Southeasterly, through a central angle of 14°00'54", an arc distance of 244.74 feet to the centerline of Orvieto Way, vacated by said Resolution No. 87-25, being the beginning of a non-tangent curve, concave Westerly and having a radial center which bears South 69°48'55" West a distance of 790.00 feet; thence, along said curve and centerline,

4th, Southerly, through a central angle of 19°31'17", an arc distance of 269.16 feet to the intersection with the Easterly prolongation of said South line of Lot 8; thence, along said South line and the prolongation

thereof,

5th, South 80°21'38" West a distance of 265.41 feet to the point of beginning.

Said property is described in that certain "City of Goleta – Certificate of Compliance of a Portion of Assessor's Parcel Number 073-330-014" recorded November 4, 2019 as Instrument No. 2019-0050348 of Official Records.

PARCEL TWO:

Non-exclusive, mutually reciprocal surface easements for access, ingress, egress and use and enjoyment of, to, and over the common facilities for passage and parking of vehicles, passage of pedestrian traffic and non-exclusive subterranean easements for utility facilities, as contained in Declaration of Reciprocal Covenants, Conditions, Restrictions and Easements for Parcel 6 recorded December 28, 1989 as Instrument No. 89-086505 of Official Records of Santa Barbara County.