#### CALENDAR FOR THE BOARD OF SUPERVISORS

#### **CONTRA COSTA COUNTY**

AND FOR SPECIAL DISTRICTS, AGENCIES, AND AUTHORITIES GOVERNED BY THE BOARD

# BOARD CHAMBERS ROOM 107, ADMINISTRATION BUILDING, 651 PINE STREET MARTINEZ, CALIFORNIA 94553-1229

FEDERAL D. GLOVER, CHAIR, 5TH DISTRICT KAREN MITCHOFF, VICE CHAIR, 4TH DISTRICT JOHN GIOIA, 1ST DISTRICT CANDACE ANDERSEN, 2ND DISTRICT DIANE BURGIS, 3RD DISTRICT

**DAVID J. TWA,** CLERK OF THE BOARD AND COUNTY ADMINISTRATOR, (925) 335-1900

PERSONS WHO WISH TO ADDRESS THE BOARD DURING PUBLIC COMMENT OR WITH RESPECT TO AN ITEM THAT IS ON THE AGENDA, WILL BE LIMITED TO TWO (2) MINUTES.

The Board Chair may reduce the amount of time allotted per speaker at the beginning of each item or public comment period depending on the number of speakers and the business of the day. Your patience is appreciated.

A lunch break or closed session may be called at the discretion of the Board Chair.

Staff reports related to open session items on the agenda are also accessible on line at www.co.contra-costa.ca.us.

# AGENDA February 14, 2017

# 9:00 A.M. Convene and announce adjournment to closed session in Room 101. Closed Session

## A. CONFERENCE WITH LABOR NEGOTIATORS

1. Agency Negotiators: David Twa and Bruce Heid.

Employee Organizations: Contra Costa County Employees' Assn., Local No. 1; Am. Fed., State, County, & Mun. Empl., Locals 512 and 2700; Calif. Nurses Assn.; Service Empl. Int'l Union, Local 1021; District Attorney's Investigators Assn.; Deputy Sheriffs Assn.; United Prof. Firefighters, Local 1230; Physicians' & Dentists' Org. of Contra Costa; Western Council of Engineers; United Chief Officers Assn.; Service Employees International Union Local 2015; Contra Costa County Defenders Assn.; Probation Peace Officers Assn. of Contra Costa County; Contra Costa County Deputy District Attorneys' Assn.; and Prof. & Tech. Engineers, Local 21, AFL-CIO; Teamsters Local 856.

2. Agency Negotiators: David Twa.

Unrepresented Employees: All unrepresented employees.

## B. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Initiation of litigation pursuant to Gov. Code, § 54956.9(d)(4): One potential case

9:30 A.M. Call to order and opening ceremonies.

Inspirational Thought- "Where there is love there is life." ~ Mahatma Gandhi

<u>CONSIDER CONSENT ITEMS</u> (Items listed as C.1 through C.85 on the following agenda) – Items are subject to removal from Consent Calendar by request of any Supervisor or on request for discussion by a member of the public. **Items removed from the Consent Calendar will be considered with the Discussion Items.** 

## **PRESENTATIONS (5 Minutes Each)**

PR.1 PRESENTATION to recognize the participation and generosity of County employees in the 2016 Counties Care Holiday Food Fight, as recommended by the County Administrator. (Larry Sly, Executive Director, Food Bank, Kate Sibley, Executive Assistant, LAFCO)

# **DISCUSSION ITEMS**

- **D. 1** CONSIDER Consent Items previously removed.
- D. 2 PUBLIC COMMENT (2 Minutes/Speaker)
  - **D.3** ACCEPT the Lower Walnut Creek Restoration Project Status Update, Martinez area. (No fiscal impact) (Paul Detjens, Public Works Department)
  - D.4 CONSIDER approving and authorizing the Chair of the Board of Supervisors to execute the Third Amendment to the County's Franchise Agreement with Crockett Sanitary Service, Inc., effective March 1, 2017, as well as the implementation of a 14.28% solid waste collection rate increase and on-call bulky item collection service for residents effective April 1, 2017, and a 4.99% solid waste collection rate increase and enhanced on-call and clean-up services effective April 1, 2018, and authorizing related actions under the California Environmental Quality Act. (Deidra Dingman, Conservation and Development Department)
  - D.5 CONSIDER accepting the report from the Employment and Human Services
    Department regarding the impacts of technology on client access to public
    benefits, as recommended by the Family and Human Services Committee. (Kathy
    Gallagher, Employment and Human Services Director)
  - P.6 HEARING in connection with the issuance by the County of Contra Costa Public Financing Authority ("Authority") of its Lease Revenue Bonds Refunding and Capital Projects 2017 Series A ("Bonds"); CONSIDER adopting Resolution No. 2017/57, approving the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$105 million to finance various capital projects and to refund various existing lease revenue bonds, authorizing the execution of various leases and related-financing documents and authorizing necessary related actions. (Timothy Ewell, County Administrator's Office) (Consider with D.7)

- Public Financing Authority, Resolution No. 2017/56, approving the issuance by the Contra Costa Public Financing Authority of Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A, in a principal amount not to exceed \$105,000,000 to finance various capital projects and a refunding of outstanding bonds for savings, authorizing the forms of and directing the execution and delivery of related financing documents; and CONSIDER authorizing the taking of necessary actions and the execution of necessary documents in connection therewith. (Timothy Ewell, Senior Deputy County Administrator) (Consider with D.6)
- D. 8 CONSIDER reports of Board members.

**Closed Session** 

## ADJOURN in memory of

# William Maxfield Former Fire Chief, Contra Costa County Fire Protection District

## **CONSENT ITEMS**

# **Road and Transportation**

- C. 1 AUTHORIZE the Public Works Director, or designee, to advertise for the 2017 on-call sweeping services Contract(s) for various road maintenance work, for routine maintenance of existing road pavement, Countywide. (100% Local Road Funds)
- C. 2 AUTHORIZE the Public Works Director, or designee, to advertise for the 2017 on-call grinding services Contract(s) for various road maintenance work, for routine maintenance and repair of existing road pavement, Countywide. (100% Local Road Funds)
- C. 3 ADOPT Resolution No. 2017/62 finding and declaring that an emergency exists and AUTHORIZE the Public Works Director to proceed in the most expeditious manner with the Alhambra Valley Road Repair Project, Pinole area. (100% Local Road Funds)

# **Engineering Services**

- C. 4 ADOPT Resolution No. 2017/42 approving the Final Map and Subdivision Agreement for subdivision SD13-09352, for a project being developed by Civic Property Group, Inc., Sole Member, Driftwood Community, LLC, as recommended by the Public Works Director, Bay Point area. (No fiscal impact)
- C. 5 ADOPT Resolution No. 2017/45 approving the fourth extension of the Subdivision Agreement for subdivision SD03-08744, for a project being developed by Discovery Builders, Inc., as recommended by the Public Works Director, Martinez area. (No fiscal impact)

## **Special Districts & County Airports**

- C. 6 APPROVE and AUTHORIZE the Public Works Director, or designee, to expand the Adopt-A-Road Program, to include other publicly-owned facilities and initiate an outreach campaign to recruit volunteers to remove trash from these facilities, Countywide. (100% Stormwater Utility Assessment funds)
- C. 7 APPROVE and AUTHORIZE the Director of Airports, or designee, to execute a month-to-month hangar rental agreement with JC Smith and Lawrence Chan for a T-hangar at Buchanan Field Airport effective February 1, 2017 in the monthly amount of \$394.10. (100% Airport Enterprise Fund)

## Claims, Collections & Litigation

**C. 8** DENY claims filed by Alsco, Inc., Neale Miglani, Soudabeh Nikmorad, Juan Partida, and Morgan Sanders.

## **Statutory Actions**

**C. 9** APPROVE Board meeting minutes for January 2017, as on file with the Office of the Clerk of the Board.

# **Honors & Proclamations**

- **C. 10** ADOPT Resolution No. 2017/40 honoring the remembrance of Probation Counselor Willie T. Miller, as recommended by the County Probation Officer.
- C. 11 ADOPT Resolution No. 2017/55 recognizing the 75th anniversary of the enactment of Presidential Executive Order 9066 by Franklin D. Roosevelt calling for the internment of Japanese Americans during WWII, and issuing a formal apology to Contra Costa residents of Japanese American descent for the personal and financial loss they suffered, as recommended by Supervisor Glover.

- C. 12 ADOPT Resolution No. 2017/47 recognizing Sam Saleh as the 2017 Moraga Business Person of the Year, as recommended by Supervisor Andersen.
- C. 13 ADOPT Resolution No. 2017/49 recognizing Brian Waters as the 2017 recipient of the William Penn Mott, Jr. Environmental Award, as recommended by Supervisor Andersen.
- C. 14 ADOPT Resolution No. 2017/50 recognizing Fix Orinda Roads as the 2016 Orinda Volunteer of the Year, as recommended by Supervisor Andersen.
- C. 15 ADOPT Resolution No. 2017/54 to recognize the participation and generosity of County employees in the 2016 Counties Care Holiday Food Fight, as recommended by the County Administrator.

## **Appointments & Resignations**

- C. 16 ACCEPT the resignation of Gerald Richards, DECLARE vacant the Local Committee Hercules seat on the Advisory Council on Aging, and DIRECT the Clerk of the Board to post the vacancy, as recommended by the Employment and Human Services Director.
- C. 17 ACCEPT the resignation of Cathy Cratty, DECLARE a vacancy in the Consumer 60 or Older 2 seat on the In-Home Supportive Services Public Authority Committee, and DIRECT the Clerk of the Board to post the vacancy, as recommended by the Employment and Human Services Director.
- **C. 18** APPOINT Lily-Ann Lidji to the District 3 seat on the Emergency Medical Care Committee, as recommended by Supervisor Burgis.
- **C. 19** REAPPOINT Bob Mankin to the Appointee 2 seat and Gaylin Zeigler to the Appointee 4 seat on the Discovery Bay P-6 Citizen Advisory Committee, as recommended by Supervisor Burgis.
- C. 20 REAPPOINT Gordon 'Nate' Ball to the Appointee 1 seat, Mark Cordone to the Appointee 5 seat, Jason Dudum to the Appointee 6 seat, Robert Besse to the Appointee 7 seat and Linda Schultz to the 1st Alternate Seat on the County Service Area P-5 Citizens Advisory Committee, as recommended by Supervisor Andersen.
- C. 21 REAPPOINT William Nelson to the Appointee 2 seat, David Dolter to the Appointee 6 seat, Karen McPherson to the Appointee 8 seat, and Joe Rubay to the 1st Alternate seat on the Alamo Police Services Advisory Committee, as recommended by Supervisor Andersen.

- C. 22 REAPPOINT Anthony Hodge to the Appointee 1 seat, Deborah Drake to the Appointee 2 seat, Clover Mahn to the Appointee 3 seat, and Theresa Foglio to the Appointee 4 seat on the Rodeo Municipal Advisory Council, as recommended by Supervisor Glover.
- C. 23 REAPPOINT Kay Perry-Thayer to the Appointee 1 seat, Nam Trinh to the Appointee 3 seat, Olivier Fontana to the Appointee 4 seat, and Shawn Garcia to the Appointee 5 seat on the Pacheco Municipal Advisory Council, as recommended by Supervisor Glover.
- C. 24 REAPPOINT Trina Hudson to the Appointee 1 seat, Eva Garcia to the Appointee 2 seat, Lupe Lopez to the Appointee 3 seat, Vicki Zumwalk to the Appointee 4 seat, Debra Mason to the Appointee 5 seat, Sterling Stevenson to the Appointee 6 seat, and Charles Tremaine to the Appointee 7 seat on the Bay Point Municipal Advisory Council, as recommended by Supervisor Glover.

## **Appropriation Adjustments**

C. 25 <u>Health Services Public Health (0450)</u>: APPROVE Appropriation and Revenue Adjustment No. 5051 authorizing an increase to appropriations of \$20,000 for capital assets and revenue for the purchase of one (1) vehicle, for Public Health's Tuberculosis (TB) Program which will be utilized to implement the Directly Observed Therapy TB services in Contra Costa County. (100% State)

## **Personnel Actions**

- C. 26 ADOPT Position Adjustment Resolution No. 21997 to cancel one Sheriff's Crime Analyst (represented) position and add one Sheriff's Specialist (represented) position in the Sheriff's Office Investigations Division. (Cost savings)
- C. 27 ADOPT Position Adjustment Resolution No. 22027 to establish the class of Child Support Assistant Supervisor (represented) and reclassify two Clerical Supervisor (represented) positions and its incumbents to the newly established class in the Department of Child Support Services. (34% State; 66% Federal)
- C. 28 ADOPT Position Adjustment Resolution No. 22028 to add one Mental Health Community Support Worker II (represented) in the Health Services Department. (100% General Fund)
- C. 29 ADOPT Position Adjustment Resolution No. 22026 to add one Executive Secretary-Exempt (unrepresented) position and cancel one Executive Secretary-DCSS (unrepresented) position in the Department of Child Support Services. (No fiscal impact)

C. 30 ADOPT Resolution No. 2017/58 reallocating the salary of a number of classifications in the County Administrator's Office and abolishing the classifications of Deputy County Administrator and Principal Management Analyst – Project. (77% General Fund; 23% Other Fund Transfers)

## <u>Leases</u>

C. 31 APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a license agreement with the East Bay Regional Park District for a five-year term beginning February 1, 2017, with three optional five-year extensions, to use District property for the County's Vollmer Peak telecommunications tower at a rate of \$2,400 per month, Orinda area. (100% General Fund)

## **Grants & Contracts**

APPROVE and AUTHORIZE execution of agreements between the County and the following agencies for receipt of fund and/or services:

- C. 32 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute, a contract amendment, effective April 1, 2016, with the California Department of Public Health, to increase the amount payable to County by \$17,650 to a new payment limit of \$1,501,585 for additional County Public Health HIV Care and Minority AIDS Initiative Project services, with no change in the original term of April 1, 2016 through March 31, 2019. (No County match)
- C. 33 ADOPT Resolution No. 2017/46 authorizing the Sheriff-Coroner, or designee, to apply for and accept a grant from the California Office of Traffic Safety in an initial amount of \$452,938 for the Sheriff's Office Forensic Services Unit to purchase a Liquid Chromatography Mass Spectrometry Instrument and Nitrogen Generator beginning October 1, 2017 to the end of the grant period. (100% State)
- C. 34 APPROVE and AUTHORIZE the Public Defender, or designee, to apply for and accept a grant in the amount of \$50,000 from the San Francisco Foundation for the Proposition 47 Outreach Program, for the period April 1, 2017 through November 30, 2017. (No County match)
- C. 35 APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to execute a contract amendment with California Department of Community Services and Development, effective December 30, 2016, with no change to payment limit of \$115,014 for Department of Energy Weatherization Assistance Program and extend the term through June 30, 2017. (No County match)

APPROVE and AUTHORIZE execution of agreement between the County and the following parties as noted for the purchase of equipment and/or services:

- C. 36 APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to execute a contract with Embassy Suites Hotel Walnut Creek requiring the County's assumption of liability for damages that may be caused by attendees, in an amount not to exceed \$9,500; and to host the Heritage Project Options for Recovery Program Caregivers Retreat and Training event scheduled for April 12, 2017, with anticipated costs for the event not to exceed \$20,000. (100% State)
- C. 37 APPROVE clarification of Board action of December 6, 2016 (Item C.83), which authorized the Health Services Director to contract with Lee A. Shratter, M.D., a professional corporation, for radiology services, to reflect the name of the contractor as Lee A. Shratter, M.D., an individual, with no change in the payment limit of \$900,000 and no change in the term of January 1, 2017 through December 31, 2019. (100% Hospital Enterprise Fund I)
- C. 38 APPROVE the bid documents, including the contract General Conditions, Technical Specifications, and Construction Task Catalog for job order contracts 004, 005, 006, and 007 for future repair and remodeling projects at various County facilities; and AUTHORIZE the Public Works Director, or designee, to solicit bids to be received on or about March 23, 2017, and to issue bid addenda, as needed, for clarification of the contract bid documents, Countywide. (100% Various Funds)
- C. 39 APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a contract amendment with Interactive Resources, Inc., effective February 7, 2017, to increase the payment limit by \$400,000, to a new payment limit of \$900,000, and to extend the term to October 13, 2019 with a one-year extension option, for as-needed architectural services, Countywide. (100% Various Funds)
- C. 40 APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a construction contract with Southland Construction Management, Inc., in the amount of \$769,335 for the Remodeling of the 1st, 3rd, and 4th Floors at 900 Ward Street, Martinez. (100% General Fund)
- C. 41 APPROVE the allocation of \$75,000 of Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds from Fiscal Years 2016/17 and 2017/18 to Resources for Community Development to assist in the construction of a mixed-use development that will include 45 units of multifamily affordable housing called the St. Paul's Commons project in the City of Walnut Creek, as recommended by the Conservation and Development Director. (100% HOPWA Funds)
- C. 42 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment with Shelter, Inc. of Contra Costa County, effective February 1, 2017, to increase the payment limit by \$246,226 to a new payment limit of \$2,276,673 to provide additional housing assistance services, with no change in the original term of August 1, 2016 through June 30, 2017. (100% Mental Health Services Act)

- C. 43 APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a contract amendment with Urban Tilth, Inc., to provide electrical and security infrastructure, and to reapportion the existing contract budget to add the development of an Urban Farm in North Richmond, with no change to the payment limit of \$457,000 or the term of December 31, 2015 through December 31, 2018. (100% Park Dedication/Park Impact Funds)
- C. 44 APPROVE and AUTHORIZE the Chief Engineer, or designee, of the Contra Costa County Flood Control and Water Conservation District, to execute a contract amendment with Environmental Science Associates, to extend the term from February 14 through December 31, 2017 and increase the payment limit by \$200,000 to a new payment limit of \$790,042, to provide planning and project development services for the Lower Walnut Creek Restoration Project, Martinez area. (100% Flood Control District Zone 3B Funds)
- C. 45 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Bay Area Retina Associates in an amount not to exceed \$1,000,000 to provide ophthalmology services for Contra Costa Health Plan members, for the period February 1, 2017 through January 31, 2019. (100% Contra Costa Health Plan Enterprise Fund II)
- C. 46 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Manoj Desai, M.D., in an amount not to exceed \$300,000 to provide pediatric primary care services for Contra Costa Health Plan members, for the period February 1, 2017 through January 31, 2019. (100% Contra Costa Health Plan Enterprise Fund II)
- C. 47 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with The Greeley Company, LLC, in an amount not to exceed \$350,000 to provide consulting for regulatory compliance, on-site nursing management, and data analysis services at Contra Costa Regional Medical Center and Health Centers, for the period January 1 through December 31, 2017. (100% Hospital Enterprise Fund I)
- C. 48 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Contra Costa Interfaith Housing, Inc., in an amount not to exceed \$430,000 to provide housing and other support services to families that are homeless, for the period November 1, 2016 through September 30, 2017. (95% Housing and Urban Development Coordinated Entry; 5% County)
- C. 49 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Noel T.D. Chiu, M.D., a medical corporation, in an amount not to exceed \$800,000 to provide dermatology services for Contra Costa Health Plan members, for the period February 1, 2017 through January 31, 2019. (100% Contra Costa Health Plan Enterprise Fund II)

- C. 50 APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract with Resource Development Associates in an amount not to exceed \$170,000 to provide facilitation and data analysis services to the Racial Justice Task Force, for the period February 14, 2017 through June 30, 2018. (100% AB 109 Public Safety Realignment funds)
- C. 51 APPROVE and AUTHORIZE the Health Services Director, or designee to execute a contract with Dell Marketing L.P., in an amount not to exceed \$239,250 for the purchase of data storage hardware, professional services, and support for the period of February 15, 2017 through March 31, 2018, and annually renewing thereafter. (100% Hospital Enterprise Fund I)
- C. 52 APPROVE and AUTHORIZE the Purchasing Agent, on behalf of the Health Services Director, to execute purchase order amendment with OmniPro, LLC to increase the payment limit by \$200,000 to a new payment limit of \$350,000 for additional Lenovo Mini Personal Computers, laptops, and monitors for a period of September 1, 2016 through August 31, 2017. (100% Hospital Enterprise Fund I)
- C. 53 AUTHORIZE the Purchasing Agent to execute, on behalf of the Health Services Director, purchase orders for food at Whole Person Care Pilot Program community advisory meetings in an amount not to exceed \$2,000 for all meetings, and \$5 Safeway gift cards for client incentives in an amount not to exceed \$2,000, for the period January 1 through December 31, 2017. (100% State Whole Person Care Pilot funds)
- C. 54 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with La Quesha Green, LCSW, in an amount not to exceed \$120,000 to provide Medi-Cal specialty mental health services, for the period February 1, 2017 through June 30, 2018. (50% State; 50% Federal)
- C. 55 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Alex Smirnoff, M.D., in an amount not to exceed \$140,000, to provide Medi-Cal specialty mental health services, for the period February 1, 2017 through June 30, 2018. (50% State; 50% Federal)
- C. 56 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract containing modified indemnification language with Garda CL West, Inc., in the amount of \$22,500, to provide armored transport services to the Contra Costa Health Services Department, for the period February 1, 2017 through January 31, 2018. (100% Hospital Enterprise Fund I)
- C. 57 APPROVE and AUTHORIZE the Auditor-Controller to issue payment to Anka Behavioral Health, Inc., in the amount of \$30,000 for the additional mental health outreach services provided to homeless mentally ill clients during the period July 1 through December 31, 2016. (100% Mental Health Realignment)

- C. 58 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Suraj Cherry, M.D., in an amount not to exceed \$400,000 to provide ophthalmology service to Contra Costa Health Plan members, for the period March 1, 2017 through February 28, 2019. (100% Contra Costa Health Plan Enterprise Fund II)
- C. 59 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Young M. Kim, M.D. (dba Young's OB/GYN), in an amount not to exceed \$400,000 to provide obstetrics and gynecology services for Contra Costa Health Plan members, for the period March 1, 2017 through February 28, 2019. (100% Contra Costa Health Plan Enterprise Fund II)
- C. 60 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment, effective February 1, 2017, with Ujima Family Recovery Services, to increase the payment limit by \$20,000 to a new payment limit of \$689,500 to provide additional services to clients enrolled in the Substance Abuse and Mental Health Services for the California Work Opportunity and Responsibility to Kids program, with no change in the original term of July 1, 2016 through June 30, 2017. (100% Substance Abuse and Mental Health CalWorks)
- C. 61 APPROVE and AUTHORIZE the Auditor-Controller to issue payment to Jon Whalen, M.D., in the amount of \$80,000 for additional professional outpatient psychiatric and administrative services during the period November 1, 2016 through January 31, 2017. (50% Mental Health Realignment; 50% Federal Financial Participation)
- C. 62 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract amendment with Susan Martinez (dba God's Grace Homes), effective February 1, 2017, to increase the payment limit by \$50,000 to a new payment limit of \$288,800 to provide additional augmented board and care services, with no change in the original term of July 1, 2016 through June 30, 2017. (100% Mental Health Realignment)
- C. 63 APPROVE and AUTHORIZE the Sheriff-Coroner, or designee to execute a contract with O3, Inc., in an amount not to exceed \$120,000 to provide the Emergency Services Unit with WebEOC software support for the term of April 1, 2017 through March 31, 2019. (100% General Fund)
- C. 64 APPROVE and AUTHORIZE the Sheriff-Coroner, or designee, to execute a contract amendment with John Meyers to increase the payment limit by \$9,000 to a new payment limit of \$369,800 for helicopter pilot services for the period July 1, 2016 through June 30, 2018 .(65% State, 34% CSA P-6 zone funds, 1% Agency user fees)

- C. 65 APPROVE and AUTHORIZE the Sheriff-Coroner, or designee, to execute a contract amendment with Ron Haver to increase the payment limit by \$9,000 to a new payment limit of \$39,000 for helicopter pilot services for the period January 1, 2017 through December 31, 2017. (65% State, 34% CSA P-6 zone funds, 1% Agency user fees)
- C. 66 APPROVE and AUTHORIZE the Purchasing Agent to execute, on behalf of the Sheriff-Coroner, a purchase order with Surtec Inc., in the amount of \$150,000 to supply the County's detention facilities with custodial supplies/specialty products and janitorial equipment repair for the period March 1, 2017 through February 28, 2018. (100% General Fund)
- C. 67 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with Protiviti Government Services, Inc., in an amount not to exceed \$110,000, to provide recruitment, temporary help and consultation services for the Department's Health Services Information Systems Division, for the period from February 1, 2017 through June 30, 2018. (100% Hospital Enterprise Fund I)
- C. 68 APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract amendment with cFive Solutions, Inc. (formerly Capita Technologies, Inc.), to reflect the change in the contractor's name and authorized representative, with no other material changes, for the continuing provision of software, licensing, and system implementation support for the Probation case management system, through June 20, 2018.

## **Other Actions**

- C. 69 APPROVE and AUTHORIZE the Conservation and Development Director to execute a Subordination Agreement between the County and First Republic Bank, to enable Rubicon Programs to refinance debt on low-income apartment housing that was secured by a County Mental Health Services Act grant and Deed of Trust. (100% MHSA Grant Funds)
- C. 70 ACCEPT report from the Planning Integration Team for Community Health (PITCH) on accomplishments since the previous PITCH report in November 2015, as recommended by the Public Health, Public Works and Conservation and Development Director's.
- C. 71 DECLARE as surplus and AUTHORIZE the Purchasing Agent, or designee, to dispose of fully depreciated vehicles and equipment no longer needed for public use, as recommended by the Public Works Director, Countywide. (No fiscal impact)

- C. 72 APPROVE the Roof Top Equipment, Americans with Disabilities Act, and Fire Life Safety Upgrades Project at 4491 Bixler Road, Byron, and related actions under the California Environmental Quality Act, as recommended by the Public Works Director. (100% General Fund)
- C. 73 APPROVE and AUTHORIZE the Health Services Director, or designee, to execute a contract with San Diego State University Foundation to provide supervised field instruction to dietitian students, for the period from February 1, 2017 through December 31, 2019. (Non-financial agreement)
- **C. 74** CONTINUE the emergency action originally taken by the Board of Supervisors effective January 19, 2017 regarding the hazardous conditions caused by a series of severe rainstorms in Contra Costa County, as recommended by the County Administrator.
- C. 75 APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to issue a Request for Proposals in an amount not to exceed \$195,000 for Comprehensive Job Services for Limited English Proficient Services for California Work Opportunity and Responsibility to Kids/Welfare-to-Work participants, for the period July 1, 2017 through June 30, 2018. (100% Federal)
- C. 76 APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to issue a Request for Proposals in an amount not to exceed \$317,125 for Comprehensive Domestic Violence Services to California Work Opportunity and Responsibility to Kids/Welfare-to-Work clients for the period July 1, 2017 through June 30, 2018. (100% Federal)
- C. 77 CONSENT to the West Contra Costa Healthcare District's resolution of February 1, 2017, dissolving the Governing Body for Doctor's Medical Center, terminating the Governing Body Bylaws, and amending the District's Bylaws to reflect the change; and AFFIRM that such actions are appropriate in light of closure of the Hospital and do not contravene certain agreements between the County and District, as recommended by the County Administrator.
- C. 78 ADOPT Resolution No. 2017/60 delegating authority to Health Service Director, or designee Behavioral Health Services Director, to execute, if awarded, the Proposition 47 grant agreement and any amendments thereof with the Board of State and Community Corrections (BSCC); resolving that grant funds shall not be used to supplant expenditures; and further resolving that the Health Services Department will abide by the terms and conditions of the Grant Agreement as set forth by BSCC.
- C. 79 CONTINUE the emergency action originally taken by the Board of Supervisors on November 16, 1999, and most recently approved by the Board on February 7, 2017, regarding the issue of homelessness in Contra Costa County, as recommended by the Health Services Director. (No fiscal impact)

- C. 80 ADOPT Resolution No. 2017/52 calling and noticing election of Retirement Board Members Number 3 (general), 7 and 7 Alternate (safety members of the Association), as recommended by the Contra Costa County Employees' Retirement Association Board.
- C. 81 APPROVE and AUTHORIZE the Sheriff-Coroner, or designee, to execute a License Agreement with the United States of America by the Secretary of the Navy, allowing the County to use a portion of the former Naval Weapons Station in Concord to conduct public safety training, for the period of December 16, 2016 through December 15, 2017 and APPROVE and AUTHORIZE the Sheriff, or designee, to enter into Sublicense Agreements with other public agencies, in the form attached, allowing the public agencies to use the County-licensed portion of the former Naval Weapons Station in Concord to conduct public safety training, for the period ending December 15, 2017. (No fiscal impact)
- C. 82 APPROVE and AUTHORIZE the allocations of \$3,031,696 in Community Development Block Grant funds; and \$2,506,601 in HOME Investment Partnerships Act funds to support the construction of 199 units in 4 affordable multi-family housing projects located in North Richmond, Richmond, Pittsburg and Walnut Creek; the rehabilitation of 102 units in three projects in Antioch and Richmond; and the rehabilitation or repair of 55 homes throughout the County, as recommended by the Affordable Housing Finance Committee. (100% Federal funds)
- C. 83 ADOPT Resolution No. 2017/63 authorizing the issuance and sale of "Moraga Elementary School District General Obligation Bonds, Election of 2016, Series A" in an amount not to exceed \$12,000,000 by the Moraga Elementary School District on its own behalf pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7(c) of the Government Code, as recommended by the County Administrator. (No County fiscal impact)
- C. 84 APPROVE clarification of Board action of December 8, 2015, (C.96), which authorized the Health Services Director to execute a contract with Regents of the University of California for residency student field instruction, to reflect the contractor's correct name as Children's Hospital & Research Center at Oakland, dba UCSF Benioff Children's Hospital Oakland for the period from December 1, 2015 through December 31, 2020. (Non-financial agreement)
- C. 85 APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute third amendment to the Amended and Restated Predevelopment Loan Agreement for the Heritage Point predevelopment project with Community Housing Development Corporation of North Richmond, to increase the principal amount of the loan by \$226,500 to a new loan amount of \$877,200, and take related actions. (100% Housing Successor funds)

## **GENERAL INFORMATION**

The Board meets in all its capacities pursuant to Ordinance Code Section 24-2.402, including as the Housing Authority and the Successor Agency to the Redevelopment Agency. Persons who wish to address the Board should complete the form provided for that purpose and furnish a copy of any written statement to the Clerk.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Clerk of the Board to a majority of the members of the Board of Supervisors less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, First Floor, Room 106, Martinez, CA 94553, during normal business hours.

All matters listed under CONSENT ITEMS are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board or a member of the public prior to the time the Board votes on the motion to adopt.

Persons who wish to speak on matters set for PUBLIC HEARINGS will be heard when the Chair calls for comments from those persons who are in support thereof or in opposition thereto. After persons have spoken, the hearing is closed and the matter is subject to discussion and action by the Board. Comments on matters listed on the agenda or otherwise within the purview of the Board of Supervisors can be submitted to the office of the Clerk of the Board via mail: Board of Supervisors, 651 Pine Street Room 106, Martinez, CA 94553; by fax: 925-335-1913.

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 335-1900; TDD (925) 335-1915. An assistive listening device is available from the Clerk, Room 106.

Copies of recordings of all or portions of a Board meeting may be purchased from the Clerk of the Board. Please telephone the Office of the Clerk of the Board, (925) 335-1900, to make the necessary arrangements.

Forms are available to anyone desiring to submit an inspirational thought nomination for inclusion on the Board Agenda. Forms may be obtained at the Office of the County Administrator or Office of the Clerk of the Board, 651 Pine Street, Martinez, California.

Subscribe to receive to the weekly Board Agenda by calling the Office of the Clerk of the Board, (925) 335-1900 or using the County's on line subscription feature at the County's Internet Web Page, where agendas and supporting information may also be viewed:

## www.co.contra-costa.ca.us

#### STANDING COMMITTEES

The **Airport Committee** (Supervisors Karen Mitchoff and Diane Burgis) meets on the fourth Wednesday of the month at 1:30 p.m. at the Director of Airports Office, 550 Sally Ride Drive, Concord.

The **Family and Human Services Committee** (Supervisors John Gioia and Candace Andersen) meets on the fourth Monday of the month at 10:30 a.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Finance Committee** (Supervisors Karen Mitchoff and John Gioia) meets on the fourth Monday of the month at 9:00 a.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Hiring Outreach Oversight Committee** (Supervisors Federal D. Glover and Candace Andersen) meets on the first Monday of every other month at 1:00 p.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Internal Operations Committee** (Supervisors Candace Andersen and Diane Burgis) meets on the second Monday of the month at 1:00 p.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Legislation Committee** (Supervisors Diane Burgis and Karen Mitchoff) meets on the second Monday of the month at 10:30 a.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Public Protection Committee** (Supervisors Federal D. Glover and John Gioia) meets on the first Monday of the month at 10:30 a.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

The **Transportation, Water & Infrastructure Committee** (Supervisors Diane Burgis and Karen Mitchoff) meets on the second Monday of the month at 9:00 a.m. in Room 101, County Administration Building, 651 Pine Street, Martinez.

Airports Committee	February 22, 2017	1:30 p.m.	See above
Family & Human Services Committee	February 27, 2017 canceled Special Meeting February 22, 2017	1:30 p.m.	See above
Finance Committee	February 27, 2017 canceled March 27, 2017	9:00 a.m.	See above
Hiring Outreach Oversight Committee	April 3, 2017	1:00 p.m.	See above
Internal Operations Committee	March 13, 2017	1:00 p.m.	See above
Legislation Committee	March 13, 2017	10:30 a.m.	See above
Public Protection Committee	March 6, 2017	10:30 a.m.	See above

Transportation, Water &	March 13, 2017	9:00	See
Infrastructure Committee		a.m.	above

## AGENDA DEADLINE: Thursday, 12 noon, 12 days before the Tuesday Board meetings.

## Glossary of Acronyms, Abbreviations, and other Terms (in alphabetical order):

Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in its Board of Supervisors meetings and written materials. Following is a list of commonly used language that may appear in oral presentations and written materials associated with Board meetings:

**AB** Assembly Bill

**ABAG** Association of Bay Area Governments

**ACA** Assembly Constitutional Amendment

ADA Americans with Disabilities Act of 1990

**AFSCME** American Federation of State County and Municipal Employees

**AICP** American Institute of Certified Planners

AIDS Acquired Immunodeficiency Deficiency Syndrome

**ALUC** Airport Land Use Commission

**AOD** Alcohol and Other Drugs

ARRA American Recovery & Reinvestment Act of 2009

**BAAQMD** Bay Area Air Quality Management District

**BART** Bay Area Rapid Transit District

**BayRICS** Bay Area Regional Interoperable Communications System

**BCDC** Bay Conservation & Development Commission

**BGO** Better Government Ordinance

**BOS** Board of Supervisors

**CALTRANS** California Department of Transportation

CalWIN California Works Information Network

CalWORKS California Work Opportunity and Responsibility to Kids

**CAER** Community Awareness Emergency Response

CAO County Administrative Officer or Office

**CCE** Community Choice Energy

CCCPFD (ConFire) Contra Costa County Fire Protection District

**CCHP** Contra Costa Health Plan

**CCTA** Contra Costa Transportation Authority

**CCRMC** Contra Costa Regional Medical Center

**CCWD** Contra Costa Water District

CDBG Community Development Block Grant

CFDA Catalog of Federal Domestic Assistance

CEQA California Environmental Quality Act

CIO Chief Information Officer

**COLA** Cost of living adjustment

ConFire (CCCFPD) Contra Costa County Fire Protection District

**CPA** Certified Public Accountant

**CPI** Consumer Price Index

**CSA** County Service Area

**CSAC** California State Association of Counties

**CTC** California Transportation Commission

dba doing business as

**DSRIP** Delivery System Reform Incentive Program

**EBMUD** East Bay Municipal Utility District

**ECCFPD** East Contra Costa Fire Protection District

**EIR** Environmental Impact Report

**EIS** Environmental Impact Statement

**EMCC** Emergency Medical Care Committee

**EMS** Emergency Medical Services

**EPSDT** Early State Periodic Screening, Diagnosis and Treatment Program (Mental Health)

et al. et alii (and others)

FAA Federal Aviation Administration

FEMA Federal Emergency Management Agency

F&HS Family and Human Services Committee

First 5 First Five Children and Families Commission (Proposition 10)

FTE Full Time Equivalent

FY Fiscal Year

GHAD Geologic Hazard Abatement District

**GIS** Geographic Information System

HCD (State Dept of) Housing & Community Development

HHS (State Dept of ) Health and Human Services

HIPAA Health Insurance Portability and Accountability Act

HIV Human Immunodeficiency Virus

**HOME** Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households

**HOPWA** Housing Opportunities for Persons with AIDS Program

**HOV** High Occupancy Vehicle

**HR** Human Resources

**HUD** United States Department of Housing and Urban Development

**IHSS** In-Home Supportive Services

Inc. Incorporated

IOC Internal Operations Committee

ISO Industrial Safety Ordinance

JPA Joint (exercise of) Powers Authority or Agreement

Lamorinda Lafayette-Moraga-Orinda Area

LAFCo Local Agency Formation Commission

LLC Limited Liability Company

LLP Limited Liability Partnership

Local 1 Public Employees Union Local 1

LVN Licensed Vocational Nurse

MAC Municipal Advisory Council

MBE Minority Business Enterprise

M.D. Medical Doctor

M.F.T. Marriage and Family Therapist

MIS Management Information System

**MOE** Maintenance of Effort

**MOU** Memorandum of Understanding

MTC Metropolitan Transportation Commission

NACo National Association of Counties

**NEPA** National Environmental Policy Act

**OB-GYN** Obstetrics and Gynecology

O.D. Doctor of Optometry

**OES-EOC** Office of Emergency Services-Emergency Operations Center

**OPEB** Other Post Employment Benefits

**OSHA** Occupational Safety and Health Administration

**PACE** Property Assessed Clean Energy

**PARS** Public Agencies Retirement Services

**PEPRA** Public Employees Pension Reform Act

Psy.D. Doctor of Psychology

**RDA** Redevelopment Agency

**RFI** Request For Information

**RFP** Request For Proposal

**RFQ** Request For Qualifications

RN Registered Nurse

**SB** Senate Bill

SBE Small Business Enterprise

**SEIU** Service Employees International Union

SUASI Super Urban Area Security Initiative

**SWAT** Southwest Area Transportation Committee

TRANSPAC Transportation Partnership & Cooperation (Central)

TRANSPLAN Transportation Planning Committee (East County)

TRE or TTE Trustee

TWIC Transportation, Water and Infrastructure Committee

**UASI** Urban Area Security Initiative

VA Department of Veterans Affairs

vs. versus (against)

WAN Wide Area Network

WBE Women Business Enterprise

WCCTAC West Contra Costa Transportation Advisory Committee

SLAL OU STEEL

Contra Costa County

To: Contra Costa County Flood Control District Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: Lower Walnut Creek Restoration Project Update and announcement of California State Department of Fish and Wildlife Grant Award. Project #7520-6B8285

#### **RECOMMENDATION(S):**

ACCEPT the Lower Walnut Creek Restoration Project Status Update, Martinez area.

#### **FISCAL IMPACT:**

The next phase of project development is expected to cost \$1,075,000, half of which will be funded by Flood Control Zone 3B, and half is expected to be funded by a State of California Department of Fish and Wildlife Proposition 1 grant.

#### **BACKGROUND:**

The Contra Costa County Flood Control and Water Conservation District (FC District) owns and operates both Walnut Creek and Pacheco Creek, which were channelized by the Corps of Engineers in the 1960s. Soon after construction, the most downstream, or "lowest" portions, quickly filled in with sediment. The FC District worked with the Corps for many years to develop a more sustainable and environmentally sensitive way to maintain these facilities. Lack of federal funding, however, slowed the Corps progress on developing a better design for what was now called "Lower Walnut Creek."

On June 25, 2013, the Board APPROVED removal of the lowest four miles of these channels from the Corps system, and AUTHORIZED the chief engineer to work with congressional representatives to enact this separation from the Corps. With the support of Congressman Mike Thompson, work began to change federal law to make this vision a reality.

On June 10, 2014, the Water Resources Reform and Development Act (WRRDA) was signed into law by President

✓ APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Paul Detjens, (925) 313-2394	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc: David Twa, CAO, Betsy Burkhart, CCTV, Mike Carlson, Deputy Chief Engineer, Paul Detjens, Flood Control, Catherine Windham, Flood Control

Obama and included language to remove the lowest four miles of Walnut and Pacheco Creeks from the Corps system and return them to local control. Creek restoration planning started soon thereafter.

The FC District had committed to a transparent and inclusive, community-focused planning process to envision the future of Lower Walnut Creek. FC District staff embarked on a stakeholder listening tour to better understand constraints and identify opportunities. Staff retained the technical expertise of Environmental Science Associates (ESA), which has a track record of similar, successful projects, such as the Alhambra Creek Restoration at the Martinez Shoreline and the South Bay Salt Ponds project. Staff formed a stakeholder advisory group, made up of diverse neighboring landowners (such as Tesoro refinery and Central Contra Costa Sanitary District) and nongovernmental organizations (such as the Walnut Creek Watershed Council and the John Muir Land Trust) to inform the planning process and provide focused feedback on design concepts.

Finally, FC District staff rolled out a robust public outreach campaign with well-attended Saturday site tours, a series of evening public workshops, and an active social media presence. Staff maintained a comprehensive project webpage at

#### BACKGROUND: (CONT'D)

www.lowerwalnutcreek.org, and produced a well-received series of short web videos called <u>Lower Walnut Creek</u> Adventures, available on YouTube.

In conjunction with the FC District's outreach efforts, ESA prepared a number of technical studies focused on hydrology, hydraulics, biology and geomorphology and developed a series of measures that were considered by the stakeholder advisory group and presented at the public workshops. These measures were then formed into design alternatives for further consideration. Currently, the proposed alternative is undergoing final modifications before another presentation to the stakeholder group and a final public workshop later this spring.

In essence, the Lower Walnut Creek Restoration Project seeks to transform a single purpose Corps of Engineers' channel into a sustainable creek system that works with, rather than against, natural processes. The FC District's more sustainable vision has attracted interest from around the bay area and statewide. The Lower Walnut Creek Restoration project was one of three pilot projects selected by the Environmental Protection Agency's recent "Flood Control 2.0" project and benefited from significant expertise from the San Francisco Estuary Institute, Environmental Protection Agency, the San Francisco Estuary Partnership, and others.

In recognition of the FC District's innovative thinking and sustainable actions, the Lower Walnut Creek Restoration project was recently selected by the California Department of Fish and Wildlife (CDFW) for an award of \$537,000 of Proposition 1 funds to "further watershed restoration and protection projects of statewide importance." This grant award will fund 50% of the next phase of project development, including completion of California Environmental Quality Act (CEQA) documentation, securing regulatory permitting and completion of project plans and specifications. The FC District intends to bring to the Board formal acceptance of the CDFW Proposition 1 grant once the state has finalized the grant agreement.

This next phase of the project (CEQA, permits, and design) is expected to take approximately two years and will result in a shovel-ready project that staff expects will be competitive for additional grant funds (such as from regional Measure AA) for future construction.

Staff recommends that the Board accept this Lower Walnut Creek Restoration Project update.

#### CONSEQUENCE OF NEGATIVE ACTION:

None.

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Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 14, 2017

Subject: Third Amendment to the County's Franchise Agreement with Crockett Sanitary Service, Inc. and related changes to

collection services and rates

#### **RECOMMENDATION(S):**

- 1. APPROVE and AUTHORIZE the Chair of the Board of Supervisors to execute the Third Amendment to the Franchise Agreement between Contra Costa County and Crockett Sanitary Service, Inc. (Attachment 1) governing the collection services and rates in Crockett, Port Costa and Tormey through July 31, 2025.
- 2. ACCEPT report from Crowe Horwath, LLP, consultant, dated November 23, 2016, summarizing the results of its review of the Base Year Rate Application submitted by Crockett Sanitary Service, Inc. (Attachment 2).
- 3. APPROVE a 14.28% residential and commercial solid waste collection rate increase effective April 1, 2017, and a 4.99% residential and commercial solid waste collection rate increase effective April 1, 2018.
- 4. FIND that the Third Amendment to the County's Franchise Agreement with Crockett Sanitary Service, Inc., is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines, as the Amendment will not cause potentially significant effects on the environment.
- 5. DIRECT the Department of Conservation and Development (DCD) staff to file a CEQA Notice of Exemption with the County Clerk.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNT	Y ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Demian Hardman, (925) 674-7826	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### **FISCAL IMPACT:**

No impact to the County General Fund. The costs for County staff time spent administering the Franchise Agreement, including staff and consultant costs for conducting rate reviews, are covered by solid waste/recycling collection franchise fees.

#### BACKGROUND:

On November 5, 1996, the County entered into a franchise agreement with Walter Botta, the sole proprietor of the Crockett Garbage Company, to provide collection and recycling services for the unincorporated communities of Crockett, Port Costa and Tormey. Walter Botta immediately assigned his rights and obligations under the Agreement to Crockett Garbage Service, Inc. (name was subsequently changed to Crockett Sanitary Service, Inc.), which is a subsidiary of Richmond Sanitary Service, Inc. (owned by Republic Services).

On November 1, 2016, the County executed a First Amendment to the Franchise Agreement with Crockett Garbage Company, which changed the name of the Agreement to "Franchise Agreement with Crockett Sanitary Service, Inc." and extended the term of the Agreement through December 31, 2016, to allow for negotiation of terms and conditions of a proposed long-term extension of the Agreement and the exclusive franchise granted thereunder. On December 20, 2016, the County entered into a Second Amendment to the Franchise Agreement, which extended the term of the Franchise Agreement with Crockett Sanitary Service, Inc., to March 1, 2017, to allow for further negotiations of a long-term extension of the Agreement.

The Franchise Agreement grants Crockett Sanitary Service, Inc. (CSS) the exclusive privilege and duty to collect solid waste, recyclables and organics routinely generated by residential and commercial customers within the designated Crockett service area (also known as the "Franchise Area"). The Crockett Franchise Area covers the following three (3) unincorporated areas of District V:

- 1. Crockett
- 2. Tormey
- 3. Port Costa

The County also establishes and regulates Collection Rates that CSS is allowed to charge for residential and commercial collection services provided in their Franchise Area. These Rates are established in accordance with the adopted rate setting methodology (Rate Manual) approved by the County in 1998 for use in setting rates for the County's Franchise Agreement with Allied Waste (also owned by Republic Services). The Rate Manual establishes a process with the following components:

- a. Every four (4) years: Base Year rate reviews. Such reviews rely upon data submitted in detailed rate applications and accompanying audited financial statements; and
- b. Intervening years between Base Years (Interim Years): The Franchisee may request no change or a change based on one of the following options. One, a rate change which does not exceed the annual change in Consumer Price Index (CPI) (no Board approval required). The hauler is not required to submit audited financial data with the interim year rate application. Therefore, the Interim Year Rate Review is less rigorous than that carried out in a Base Year.

The Rate Manual provides for recovery of the reasonable costs that Crockett Sanitary Service will incur in performing services under the Franchise Agreement plus allowable profit.

## History of Solid Waste Collection Rate Adjustments Since Last Rate Change

There have been various rate adjustments in the Crockett Franchise Area since 1998 when the County adopted a Rate Manual. However, rates charged to residential and commercial customers in this Franchise Area have remained unchanged since 2009. Since the last Board-approved rate change in 2009, the CPI for the San Francisco-Oakland-San Jose area has increased approximately 18%, or an average of 2.6% per year. Rates for residential and commercial customers were not affected and remained flat.

The most recent rate review took place in 2009. Below is a brief summary of that review and subsequent

allowable rate adjustments:

<u>2009: Interim Year Rate Review</u> – An Interim Year Rate Change of 3.49% was approved by the County Board of Supervisors on January 27, 2009. This rate change was calculated on a weighted increase in controlled (tipping fees and associated regulatory charges) and uncontrolled (adjusted changed in CPI) costs consistent with the Rate Manual.

<u>2010</u>: Interim Years – No change in rates requested.

2011: Base Year Rate Review – The 2011 Base Year Rate review found efficiencies that were gained in the haulers operations that generated a total annual cost savings of \$36,127, equivalent to a 15.27% reduction in the rates. In order to maximize rate stability, no adjustments were made to the rates. The cost savings served as a credit that helped offset costs of expanding routine services and avoid pass-through of subsequent annual CPI rate adjustments that would have otherwise been added to customers' rates. In 2012, CSS increased the frequency of collection of green waste from monthly to bi-weekly. In March 2015, the hauler implemented additional service enhancements increasing the frequency of green waste collection from bi-weekly to weekly (total annual cost of approximately \$54,000 for the service area) and recycling collection from bi-weekly to weekly.

2012-2015 Interim Years – No change in rates requested.

#### **Crowe Horwath Review of Crockett Base Year Rate Application**

On May 27, 2016, CSS submitted a Base Year Rate Application requesting to increase solid waste collection rates by 15.25%. To determine a Base Year Rate change for 2017, the County requested technical assistance from Crowe Horwath (consultant) to review the CSS Base Year Rate Application consistent with the County's Rate Manual. The results of Crowe Horwath's review are summarized in its report dated November 23, 2016, which is attached as Attachment 2.

The Base Year Rate setting process requires that a detailed rate change application be submitted along with supplemental financial and operational information. Using the detailed financial data provided, Crowe Horwath reviewed the following major cost categories to determine the appropriate rate adjustment:

- Direct Labor Costs
- Tipping Fees
- Corporate and Local General and Administrative Costs
- Household Hazardous Waste Program Costs
- Trucking and Equipment
- Allowable Profit
- County's Franchise Fees

BASE YEAR RATE APPLICATION: The rate increase of 15.25% requested in the Base Year Rate Application is based on projected costs for existing services, including continued collection of recyclables and green waste on a weekly basis. Crowe Horwath reviewed the Rate Application submitted by Crockett Sanitary Service for consistency with the Rate Manual, County policies, and waste management industry practices. Their analysis did a comparison on year-to-year changes in revenues and costs for reasonableness and solicited explanations from Crockett Sanitary Service for material changes. This included the examination of actual data from prior years of 2013 through 2015, estimated data for 2016, and projected data for 2017.

Crowe Horwath's review of the Rate Application led to recommending minor reductions to various cost categories, such as trucking and equipment, that resulted in a \$5,659 net decrease in annual projected costs identified in the CSS Rate Application. This equates to a 0.97% cost reduction (relative to the CSS Application) for the 2017 Base Year, resulting in a recommended rate increase 14.28%.

There are multiple factors contributing to the changes in projected costs and revenue which drive the recommended rate adjustment. Some of these are routine factors associated with existing services (e.g. increased wages and benefits based on labor agreements and CPI adjustments to various other categories of operational

costs, including trucking and equipment, depreciation and disposal). Most of the recommended rate increase is associated with a new service enhancement of going from weekly to bi-weekly collection of green waste implemented in March 2015.

While the proposed rate changes are large, the existing rates are still relatively low compared to neighboring jurisdictions. Crockett Franchise Area residential customers have not had a rate increase since 2009.

RATE COMPARISON: As shown in Exhibit B, current Crockett area residential rates are 25 to 38 percent below average rates for all container sizes in neighboring non-County franchise areas. With the proposed 14.28% increase recommended to take effect on 4/1/2017, the Crockett area residential rates would range between about 14 to 29 percent below average rates charged in non-County franchise areas. Compared to other unincorporated areas franchised directly or indirectly (joint powers authority) by the County, current Crockett area residential rates are 2 to 8 percent below average except for the 65-gallon cart which is 4 percent above average. With the proposed 14.28% increase recommended to take effect on 4/1/2017, the Crockett area residential rates would range between about 4 to 11% above average County franchise area rates.

#### **Recommended Service Enhancements and Associated Rate Changes**

In conjunction with the 2016 Base Year Rate Review, County staff and CSS negotiated proposed terms for an amendment to the County's Franchise Agreement with Crockett Sanitary Service, Inc. The amendment includes various updates needed for consistency with previously approved amendments to other County Franchise Agreements. The amendment terms also involve a phased implementation approach to spread rate increases over a two year period (2017 and 2018) in conjunction with new, enhanced on-call services and an increase to Franchise Fees (to be consistent with the fees charged in other franchises). The purpose of this phased approach is primarily to ease the rate impact, which necessitates that the service and fee changes proposed in the Third Amendment not be implemented all at once in 2017. The following summarizes the suggested phased implementation of franchise service and rate changes consistent with the approach built into the proposed Third Amendment to the Franchise Agreement.

Recommended Rate and Service Changes Proposed to take Effect In 2017: Staff recommends approval of a Base Year Rate increase of 14.28% consistent with Crowe Horwath's suggestions based upon their detailed review of the 2016 Base Year Rate Application submitted by CSS. This increase is proposed to take effect on April 1, 2017, contingent upon the required written notice having been provided to customers at least 30-days in advance. Simultaneous with the proposed 2017 rate increase taking effect, CSS has agreed to implement new On-Call Curbside Bulky Item Clean-up service more fully described in Exhibit B to Attachment 1. However, the associated rate increase is proposed to go into effect a year later (April 1, 2018) as discussed in more depth below. Annual cost savings of \$1,661 resulting from changing pick-up frequency for five existing street can locations from twice to once per week will help offset a portion of the cost for the On-call Bulky Item Clean-up service, which reduces the amount of additional rate revenue needed from customers through 2020.

Recommended Rate, Fee and Service Changes Proposed to take Effect In 2018: To avoid burdening customers with a single annual rate increase in excess of 15%, staff is recommending that implementation of the recommended rate change in excess of the Base Year adjustment be delayed for one year. Solely implementing the Base Year Rate adjustment in the first year, allows the County to defer the remainder of the proposed increase to a future date as long as it coincides with the implementation timeframe for the additional proposed services and increased franchise fees. The remaining recommended rate adjustment totaling 4.99% is recommended to take effect on April 1, 2018, to coincide with the implementation of the franchise fee increase and service enhancements (Second Annual On-Call Bagged Clean-up and On-Call Right-of-Way Clean-up). This recommended 2018 rate increase would include the following elements and is in addition to any increase that may be requested and due based on the annual change in CPI:

## Increase Franchise Fees (4%) - Implementation deferred until 4/1/2018

a. 4% rate increase for commensurate Franchise Fee increase (from 3% to 7%), consistent with the 7% franchise fees established in all of the other County and JPA controlled collection franchises

## Enhance On-call Services (0.99%) – Implementation deferred until 4/1/2018 (exception noted in b)

- a. 0.80% rate increase to cover cost of one (1) annual On-Call Curbside Bulky Item Clean-up per residential customer [addition of new pick-up option to be included with standard residential service at no additional cost to requesting customers effective 4/1/2017]
- b. 0.10% rate increase to provide residential customers with a Second On-Call Bagged Clean-up per year
- c. 0.09% rate increase to provide the County with On-Call Right-of-Way Clean-ups

Table 1 shows the existing monthly residential rates and the phased implementation of the rate increases recommended to be approved for 2017 and 2018. Phased rate increases are contingent upon deferred implementation of corresponding service enhancements and franchise fee increase.

Table 1 - Phased Rate Increases for 2017 (Base Year Rates) & 2018 (Added Services & Fees)

Curbside Cart Size (Cans = Backyard service)	Existing Monthly Rates	Recommended 2017 Base Year Rate Increase (14.28%)	Recommended Monthly Rate in 2017 (as of 4/1/2017)	Recommended 2018 Phased Rate Increase (4.99%)*	Recommended Monthly Rate in 2018* (as of 4/1/2018)
20-gallon	\$22.44	\$3.20	\$25.64	\$1.28	\$26.92
35-gallon	\$26.61	\$3.80	\$30.41	\$1.52	\$31.93
45-gallon	\$35.15	\$5.02	\$40.17	\$2.00	\$42.17
65-gallon	\$46.66	\$6.66	\$53.32	\$2.66	\$55.98
95-gallon	\$56.69	\$8.10	\$64.79	\$3.23	\$68.02
32-gal Can	\$27.32	\$3.90	\$31.22	\$1.56	\$32.78
45-gal Can	\$35.90	\$5.13	\$41.03	\$2.05	\$43.08

<sup>\*</sup>In addition to the recommended 4.99% rate increase proposed to take effect on April 1, 2018, Crockett Sanitary Service is entitled to request an annual Interim Year/CPI rate adjustment.

#### PROPOSED FRANCHISE AMENDMENT TERMS

Staff is recommending that the Board of Supervisors approve the proposed Third Amendment to the Franchise Agreement and associated Exhibits provided in Attachment 1 in conjunction with the recommended rate adjustments specified in Table 1 above. The Amendment also includes updates and corrections warranted to reflect current services provided by Contractor, including additional recyclable materials collected in blue carts and more frequent collection of recyclables and organics now offered as discussed above. Additional revisions have been incorporated to reflect current industry practices and facilitate consistency with the other Franchise amendments approved by the County over the past couple of years. Below is a summary of the changes to the proposed Third Amendment to the Franchise Agreement:

- Extending the term of the Agreement approximately 8 years, from March 1, 2017 through July 31, 2025.
- Expanding the Franchise Area to include land to the north which is currently occupied by an industrial complex (C&H Sugar).
- Increase in number of public facilities served at no extra charge (see more Street Cans below).
- Deletion of a section pertaining to a local advisory committee that no longer exists.

**Public Street Cans:** The proposed Amendment includes routine pick-up for twenty-one (21) street cans (19 in Crockett and 2 in Port-Costa), which is five more than the Contractor is obligated to serve or repair/replace under the existing Franchise Agreement. Since the Franchise was approved in 1996, additional street cans have been installed by other parties, presumably to address needs identified by the Community. The proposed Amendment also includes twice a week pick-up for five (5) of the street cans at specified locations. The hauler would only continue to be required to maintain and repair/replace up to sixteen (16) of the 21 street cans in the Franchise Area. County staff has coordinated with the Crockett Improvement Association regarding this and the Crockett Improvement Association has agreed to seek grant funding to assist in providing maintenance for the other five (5) street cans in Crockett. The location and frequency of pick-up of all twenty-one (21) street cans are specified in Exhibit D of Attachment 1.

#### **FUTURE FRANCHISE AGREEMENTS**

This is the last of the four Franchise Agreements that the County entered into between 1993 and 1996. It is also the last proposed to be amended in order to extend the term for nine years (ten years for the other franchises). In order to seek direction from the Board regarding whether or not to extend these solid waste and recycling collection franchise agreements again in future years, staff will return to the Board of Supervisors three years prior to their termination dates, which fall between 2023 and 2025. This three-year "tickler" should allow adequate time for staff to conduct a Request for Proposals process should the Board so direct, including soliciting and selecting a contractor as well as completing negotiations with the selected contractor.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If the Board of Supervisors does not approve an Amendment that extends the term of the County's Franchise Agreement with Crockett Sanitary Service and no replacement Franchise Agreement is executed prior to March 1, 2017, any collection services provided in the Crockett area thereafter would violate County Code requirements (Chapter 418-7). Furthermore, the hauler(s) providing said collection services would be driven by free market conditions, free from rate regulation, unobligated to satisfy recycling/customer service standards, nor required to pay franchise fees. Furthermore, property owners in the area would have no certainty that there is a company mandated to provide routine collection services required to comply with Chapter 418-6.

## ATTACHMENTS

Attachment 1 - Third Amendment to the County Franchise Agreement with Crockett Sanitary Service, Inc.

Attachment 2 - Final Report – 2017 Base Year Rate Review for Crockett Sanitary Service Franchise

# THIRD AMENDMENT TO FRANCHISE AGREEMENT WITH CROCKETT SANITARY SERVICE, INC.

This Third Amendment to Franchise Agreement with Crockett Sanitary Service, Inc. ("Third Amendment"), is entered into by and between Crockett Sanitary Service, Inc., a California corporation ("Contractor"), and the County of Contra Costa, a political subdivision of the State of California ("County"), effective March 1, 2017 (the "Effective Date"). County and Contractor may be referred to collectively as the "Parties."

#### RECITALS

- A. On November 5, 1996, County and Walter Botta, individually and doing business as Crockett Garbage Company, a sole proprietorship, entered into a solid waste franchise agreement entitled "Franchise Agreement with Crockett Garbage Company" ("1996 Franchise Agreement"). Contractor is successor in interest to Walter Botta.
- B. On November 1, 2016, County and Contractor entered into an agreement entitled "First Amendment to Franchise Agreement with Crockett Garbage Company" ("First Amendment"), which changed the title of the 1996 Franchise Agreement to "Franchise Agreement with Crockett Sanitary Service, Inc.," and extended its term to December 31, 2016, to allow for negotiation of terms and conditions of a long-term extension.
- C. On December 20, 2016, County and Contractor entered into an agreement entitled "Second Amendment to Franchise Agreement" ("Second Amendment"), which extended the term of the Franchise Agreement with Crockett Sanitary Service, Inc., to March 1, 2017, to allow further negotiations of a long-term extension. The Franchise Agreement with Crockett Sanitary Service, Inc., as amended by the First Amendment and Second Amendment, will be referred to hereafter as the "Agreement."
- D. The Parties wish to amend the Agreement to extend the term of the Agreement and make other changes to the Agreement, including an expansion of the Franchise Area to include the location currently occupied by an industrial complex, expansion of the scope of recycling, on call and clean-up services provided to Customers by the Contractor, an increase in the number of public facilities served by the Contractor at no extra charge, an increase in the franchise fee, revisions to sections regarding rate applications, contractor operations, customer satisfaction and billing consistent with requirements in other franchise agreements, deletion of a section pertaining to a local advisory committee that no longer exists, modifying certain definitions and clarifying selected provisions.

NOW THEREFORE, for good and valuable consideration, including but not limited to the agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### **AGREEMENT**

- 1. Section 2, **DEFINITIONS**, is deleted in its entirety and replaced with the following:
  - 2. **DEFINITIONS**. As used herein, the following terms have the meanings set forth below:
    - a. **Agreement**. "Agreement" means this Agreement by and between the County and Contractor for the collection, removal, and disposal of Solid Waste and the Recycling of material.
    - b. Act. "Act" means the California Integrated Waste Management Act of 1989 (Public Resources Code, § 40000 et seq.) and all rules and regulations adopted under any of those sections, as such sections, rules and regulations may be amended from time to time in the future.
    - c. **Board**. "Board" means the Board of Supervisors for the County of Contra Costa.
    - d. Commercial Solid Waste. "Commercial Solid Waste" means Solid Waste routinely originating from stores, business offices and other commercial and light industrial sources, excluding residences and wastes from heavy industry (i.e., industry that manufactures or processes petroleum, lumber, steel, chemicals, explosives, fertilizers, gas, rubber, cement, sugar and other products [see section 84-60.402 of the Contra Costa County Ordinance Code.]).
    - e. **Conservation and Development**. Conservation and Development means the County's Department of Conservation and Development. All references to "Community Development" in the Agreement mean Conservation and Development.
    - f. Contractor. "Contractor" means Crockett Sanitary Service, Inc.
    - g. **County**. "County" means the County of Contra Costa.
    - h. **Customers**. "Customers" means those who have contracted with the Contractor for the collection, removal and Recycling of Recyclable Material and/or for the collection, removal and disposal of other Solid Waste, pursuant to this Agreement and applicable ordinances of County, including mandatory subscription ordinances.
    - i. **Director**. "Director" means the Director of the County's Department of Conservation and Development. All references to

- "Director of Community Development," "Community Development Director" or "Community Development Department Director" in the Agreement mean the Director.
- j. Franchise Area. "Franchise Area" means the geographic area generally known as the unincorporated communities of Crockett, Port Costa and Tormey as described in Exhibit A to this Agreement, which is attached hereto and incorporated herein by reference, and illustrated in the Geographic Information System (GIS) mapping data to be maintained and used to generate maps that can be made available for inspection at the Department of Conservation and Development. Exhibit A and said GIS mapping data shall be amended from time to time to reflect changes of boundaries of the Franchise Area in such a manner as to identify each alteration to the Franchise Area and the effective date thereof, with the exception of changes resulting from annexations pursuant to Section 33, which need not reflect the boundaries and effective dates of each annexation.
- k. Hazardous Waste. "Hazardous Waste" includes any waste material or mixture of wastes which is toxic, corrosive, flammable, an irritant, a strong sensitizer, which generates pressure through decomposition, heat or other means, if such a waste or mixture of wastes may cause substantial personal injury, serious illness or harm to humans, domestic animals, or wildlife, during or as an approximate result of any disposal of such wastes as defined in Article 2, Chapter 6.5, Section 25117 of the Health and Safety Code. The terms "toxic", "corrosive", "flammable", "irritant", and "strong sensitizer" shall be give the same meaning as in the California Hazardous Substances Act (Chapter 4 commencing with Section 108100 of Division 104 of the Health and Safety Code).
- 1. **Industrial Waste**. "Industrial Waste" includes all types of Solid Waste that are generated at a publicly operated treatment works or that result from industrial processes and manufacturing operations and/or that originate from those facilities.
- m. Infectious Waste. "Infectious Waste" includes:
  - (1) Equipment, instruments, utensils and other fomites of a disposable nature from the rooms of patients who are suspected to have or have been diagnosed as having a communicable disease and must, therefore, be isolated as required by public health agencies;
  - (2) Laboratory wastes, including pathological specimens (i.e., all tissues, specimens of blood elements, excreta and

- secretions obtained from patients or laboratory animals) and disposable fomites (any substances that may harbor or transmit pathogenic organisms) attendant thereto;
- (3) Surgical operating room pathologic specimens, including recognizable anatomical parts, human tissue, anatomical human remains and disposable materials from hospitals, clinics, outpatient areas and emergency rooms.
- n. Recycle or Recycling. "Recycle," "Recycled" or "Recycling" means the process of collecting, sorting, cleaning, treating and reconstituting materials that would otherwise become Solid Waste, and recovering them so that they may be turned into new products. Recycle or Recycling includes compost or composting of organic materials including yard waste and food waste as well as any other Director approved means of diverting waste in accordance with the Integrated Waste Management Act (including waste-derived Alternative Daily Cover or ADC that qualifies as diversion under State law). Although green waste used as ADC is considered diversion until 2020, green waste collected in this Franchise Area shall not be used as ADC.
- o. Recyclable Material. "Recyclable Material" means all organic and non-organic materials the Contractor is required to Recycle, including but not limited to glass, aluminum, paper and green waste. Listing of Recyclable Material currently collected by Contractor is set forth in Exhibit B, attached hereto and incorporated herein. Exhibit B may be changed from time to time by agreement of the County and Contractor, or pursuant to the provisions of Section 12.b and Section 17 of the Agreement.
- p. **Residential Solid Waste.** "Residential Solid Waste" means Solid Waste routinely originating from single-family or multiple family dwellings. Residential Solid Waste includes household hazardous waste, but does not include Septage.
- q. **Septage**. "Septage" means non-sewered liquid or semi-liquid waste which may be trucked to treatment facilities for disposal, to include, but not be limited to, waste from residential septic tanks, commercial grease cleanouts, and industrial waste holding facilities.
- r. **Solid Waste.** "Solid Waste" has the meaning set forth in Section 40191 of the California Public Resources Code as may be amended from time to time. Solid Waste includes, but is not limited to, all putrescible and nonputrescible solid, semisolid, and liquid wastes,

including garbage, trash, refuse, paper, rubbish, ashes, demolition and construction wastes, abandoned vehicles, and parts thereof, discarded home and induction appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes and other discarded solid and semisolid wastes. Solid Waste does not include Recyclable Material, Septage, Infectious Waste or Hazardous Waste, except household hazardous waste and universal waste.

- s. **Waste Stream**. "Waste Stream" means the Solid Waste to be collected under this Agreement from the time of its collection by the Contractor to its disposal at a landfill or, at County's discretion, delivery to a transfer facility or other facility by Contractor.
- 2. Section 3, **TERM**, is deleted in its entirety and replaced with the following:
  - 3. **TERM.** Subject to Section 33 (Annexation and Change of Franchise Area Boundaries) and Section 35 (Breach and Termination), the term of this Agreement begins on November 5, 1996, and ends on July 31, 2025.
- 3. Section 5, **EXCLUSIVE PRIVILEGE AND DUTY**, is deleted in its entirety and replaced with the following:
  - 5. EXCLUSIVE PRIVILEGE AND DUTY.
    - a. To the extent allowed by law, County hereby grants to Contractor the exclusive privilege and duty to (i) collect and remove for disposal and Recycling all Residential Solid Waste and Commercial Solid Waste, including Recyclable Material, from within the Franchise Area, pursuant to the terms of this Agreement, and (ii) charge for the services performed in the Franchise Area in accordance with this Agreement.
    - b. Contractor shall collect and remove for disposal and Recycling all Residential Solid Waste and Commercial Solid Waste, including Recyclable Material, from Customers within the Franchise Area in accordance with this Agreement. Effective March 1, 2017, Contractor shall perform the basic services described in Exhibit B. Notwithstanding Section 38 of this Agreement, Exhibit B may be amended by the Director from time to time to incorporate new or enhanced services proposed by the Contractor or changes to collection services approved by the County Board of Supervisors.

4. Section 8, **RATES**, is deleted in its entirety and replaced with the following:

#### 8. RATES.

- a. The County shall establish and regulate rates for collection of Residential Solid Waste and Recyclable Material and Commercial Solid Waste and Recyclable Material within the Franchise Area ("Collection Rates"). In establishing the Collection Rates, the County shall use the methodology set forth in the Rate Setting Process and Methodology Manual approved by the County Board of Supervisors on May 19, 1998, as may be modified from time to time (the "Rate Manual").
- b. In determining the Collection Rates, the County shall consider fairness to both Contractor and the Customers. Reasonable costs incurred by Contractor pursuant to this Agreement shall be determined by the County, after consultation with Contractor, during the rate review process.
- c. The maximum Collection Rates that Contractor may charge Customers within the Franchise Area for collection, Recycling and disposal services as of the Effective Date of the Third Amendment to this Agreement are set forth in Exhibit B. Nothing in this Agreement precludes Contactor from charging rates less than the maximum rates fixed by the County. Notwithstanding Section 38 of this Agreement, Exhibit B may be amended by the Director from time to time to incorporate adjustments to Collection Rates based on changes in the Consumer Price Index for All Urban Consumers San Francisco-Oakland-San Jose, CA (CPI) and changes to Collection Rates approved by the County Board of Supervisors in accordance with the Rate Manual.
- d. Following consultation with the Contractor and examination of industry norms and trends, the County, in its sole discretion, shall determine the method of determining Contractor profitability.
- 5. Section 9, **RATE APPLICATIONS**, is deleted in its entirety and replaced with the following:

## 9. **RATE APPLICATIONS.**

a. The Collection Rates set forth in this Agreement may be adjusted annually in accordance with the Rate Manual.

- b. All costs associated with County review and processing of rate applications shall be paid by Contractor upon request and shall be allowed as a pass-through cost in the rate application process.
- c. Rate applications shall be prepared in accordance with such forms and in such detail as required by the County. Rate application forms and associated guidelines and instructions are contained in the Rate Manual.
- d. Every four years, Contractor shall submit to the County a detailed rate application, accompanied by an audited financial statement covering the entire period specified in the Rate Manual together with supporting documentation as required to segregate its County regulated activities from other business activities. All rate applications shall include information from the previous approved rate change to the present, or such other period of time as is selected by the County. Costs associated with the audited financial statement shall be an allowable pass-through expense for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor. In intervening years, Contractor may submit abbreviated rate applications as provided for and described in the Rate Manual.
- e. The Director may, in writing, allow the rate application to be submitted without an audited financial statement provided the Director is satisfied that the level of verifiable detail allows for adequate assessment of the Contractor's income, expenses, assets and liabilities.
- f. Rate changes may be initiated by County at any time or by Contactor under the conditions allowed in this section. In either case, Contractor shall prepare a rate application in accordance with the requirements of this section and the Rate Manual. If the rate change is initiated by County, the Contractor shall submit its rate application to County within 60 days of County's notice to Contractor. Expenses incurred by Contractor for preparing the rate application pursuant to this Section will be treated as allowable pass-through costs for rate setting purposes to the extent such costs are properly accounted for in the rate applications(s) submitted by Contractor. If the rate change is initiated by Contractor, it shall be submitted no more than once a year under normal operating conditions. The date of Contractor initiated applications shall be standard, year by year; such dates have been mutually determined by the Parties and incorporated into the rate setting schedules in the Rate Manual

- g. In the event the Director determines that a rate change requested by Contractor is no more than the applicable annual change in the CPI adjustments for that rate year, Contractor may increase its rate up to such amount without obtaining rate change approval from the Board as may be provided for and described in the Rate Manual.
- h. Contractor may defer submittal of a detailed rate application pursuant to the preceding paragraph for a maximum of three consecutive years.
- i. In the event that Contractor must make significant changes in its operations or experiences significant changes in costs or revenue not under its control, Contractor may submit an extraordinary rate application. Contractor shall provide documentation for the need for such rate application relative to those extraordinary changes as provided for and described in the Rate Manual. The application will thereafter be reviewed by County staff and scheduled for consideration by the Board.
- 6. Section 10, **OPERATION BY CONTRACTOR**, is deleted in its entirety and replaced with the following:

## 10. **OPERATION BY CONTRACTOR.**

- a. Contractor shall furnish all necessary equipment, including but not limited to providing wheeled carts with lids to Customers for Solid Waste and Recyclable Material (non-organic and organic) to be collected curbside. Customers subscribing to backyard collection shall provide their own 20, 32 or 45-gallon containers for Solid Waste. Contractor shall maintain its equipment in good repair and working condition at all times.
- b. In performing services under this Agreement, Contractor shall use trucks with covered, water-tight truck bodies constructed of sufficient strength to withstand a fire within without endangering adjacent property. Contractor shall keep trucks and similar equipment in good repair and shall cause them to be cleaned as needed. Roll-off boxes and Commercial bins shall be clean when delivered to customers and repaired or replaced as needed. Contractor shall repair or replace carts and other Contractor supplied containers when drivers or Customers identify specific containers as either missing or in disrepair. Contractor shall cause carts and bins to be cleaned prior to delivery to Customers. Contractor shall use due care to prevent Recyclable Material and Solid Waste from being spilled or scattered during collection or transportation. If any material is spilled, Contractor shall promptly

- clean up all spilled materials. Each collection vehicle shall carry a broom and shovel at all times. Contractor shall cause its name and telephone number to appear on the side of each truck and on each drop box, bin and similar equipment provided by Contractor.
- c. Contractor shall provide all labor necessary to carry out the services required of it under this Agreement.
- d. Contractor agrees to collaborate with and act at the direction of the County on matters pertaining to the development and implementation of public education and outreach efforts to raise customer awareness. Contractor shall send copies of any notices and other informational materials intended to be sent to Customers at least fourteen (14) days in advance of the respective intended distribution date, unless a shorter review period is approved in advance by the Director. The form and content of all notices and other informational materials intended to be sent to Customers shall be subject to the prior review and approval of the Director.
  - (1) At least once every calendar year, Contractor shall develop and distribute notices and other informational materials for Customers about existing services. Contractor shall, if required by the Director, develop and distribute one additional notice or other informational material for Customers about existing services once per calendar year.
  - (2) If required by the Director, Contractor shall develop and distribute notices and other informational materials for Customers about changes the County requires pursuant to Section 12 for the purpose of promoting new service(s), improving service, increasing customer satisfaction, or meeting diversion requirements.
  - (3) At least twice every calendar year, Contractor shall develop and distribute notices and other informational materials for Customers about the Recycling services provided or available. Notices or informational materials required by this subsection (3) may be developed to also satisfy the requirements of subsection (1). Contractor shall develop and distribute additional materials for Customers pertaining to Recycling services when deemed necessary by the Director following consultation with CalRecycle to maintain or achieve higher participation levels in the Recycling program.

- (4) All Contractor expenses associated with the development and distribution of County-required notices and other informational materials for Customers shall be treated as allowable pass-through costs for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor.
- 7. Section 11, **LIMITATION ON TIME AND MANNER OF COLLECTION**, is deleted in its entirety and replaced with the following:
  - LIMITATION ON TIME AND MANNER OF COLLECTION. 11. Contractor shall systematically collect Solid Waste, and to the extent required by this Agreement, materials for Recycling from its Customers. Frequency, place of pickup (e.g. curbside, backyard, etc.) or any other manner of collection shall be subject to the review and approval of the Director. To avoid conflicts with other related services, such as street sweeping, any proposed change in collection service days shall be requested in writing and subject to review and approval of the Director. Such approval shall not be withheld without cause. Upon commencement of service and upon changes in collection day schedules, Contractor shall provide each Customer with advance notice of the scheduled collection day. Contractor shall not collect Solid Waste from an inhabited dwelling or dwelling unit between the hours of 6:00 PM and 6:00 AM (unless otherwise directed by the Director). Residents may report missed pick-ups by calling the phone number provided by the Contractor. Contractor shall return and make missed pick-ups no later than the following working day.
- 8. Section 12, **CUSTOMER SATISFACTION**, **AB 939 AND EFFICIENCIES IN OPERATION**, is amended by deleting subsections b. and c. in their entirety and replacing them with the following subsections b. and c., and by adding the following subsection d.:
  - b. Notwithstanding any contrary provision in this Agreement, the County shall have the right to direct Contractor to compile and provide information, develop plans for and/or conduct programs on alternative methods of Solid Waste and Recyclable Material collection and management, or to take any other action requested by the County for the purpose of meeting the source reduction, recycling and composting requirements of the Act, and any other applicable federal, state or local laws regarding Solid Waste and Recyclable Material collection, recycling and disposal, including, without limitation, the County's Materials Diversion Ordinance, and Mandatory Subscription Ordinance.

Contractor agrees to indemnify and hold the County harmless from and against any and all liability to the State of California for the County's noncompliance with the requirements of the California Integrated Waste Management Act due in whole or material part to the material failure of Contractor to properly carry out the reasonable directives of the County to Contractor regarding collection and disposition of Solid Waste and Recyclable Material; provided, however, that Contractor shall not be obligated to indemnify nor hold the County harmless from any resulting liability if the County does not treat Contractor's reasonable costs (including profit) associated with carrying out such directives as allowable for rate setting purposes to the extent such costs are properly accounted for in the rate applications(s) submitted by Contractor.

- The County may require Contractor to develop plans for and c. conduct programs on alternative methods of Solid Waste collection, including pilot programs of limited scope, or may require additional programs, for the purpose of improving service, increasing customer satisfaction, and/or meeting diversion requirements. The County may also require Contractor to implement efficiencies in its operation following written notice from the County. The notice shall allow Contractor a reasonable period of time to implement the specified service or program or efficiency. If the County requires Contractor to implement a service or program or efficiency under this section, Contractor agrees to do those things specified herein and as may be additionally specified by the County, and to act at the direction of the County on other matters that may be necessary for the success and efficiency of the service or program or efficiency, such as providing any notice or other informational material to Customers that may be required under subsection d. of Section 10. In the event that the County elects to direct Contractor to discontinue any service theretofore performed by Contractor at the direction of the County hereunder, County shall allow Contractor to recover its reasonable capital equipment costs and other reasonable costs arising upon termination of the service.
- d. Associated costs shall be established at the time the County authorizes implementation of the programs, directives or efficiencies under this Agreement. Rate adjustments necessitated solely as a result of programs instituted pursuant to subsections b. or c. of this Section 12 shall be established at the time the County authorizes implementation of the program, directive or efficiency. Expenses incurred by Contractor in performing services pursuant to subsections b. and c. of this Section 12 shall be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor. Contractor shall not be obligated to carry out any such

program, directive or efficiency if the County does not adjust maximum Collection Rates as needed to account for Contractor's projected allowable costs (whether eligible for pass-through or reasonable profit) associated with carrying out such directives.

- 9. Section 14, LOCAL ADVISORY COMMITTEE, is deleted in its entirety.
- 10. Section 16, **BILLING**, is deleted in its entirety and replaced with the following:

#### 16. BILLING.

- a. The current form and content of Customer bills is satisfactory. The Contractor shall provide written notification of any proposed changes to the form and content of Customer bills at least thirty (30) days in advance and shall be subject to the review of the Director.
- b. Bills for services may be monthly, bi-monthly or quarterly. Contractor may bill its Customers in advance or in arrears
- c. Full payment for drop boxes may be required by Contractor prior to delivery of the drop box to the Customer.
- d. The County shall have the right to direct the Contractor to change or alter its billing system in which event the marginal additional expenses incurred by the Contractor in the implementation of the change, with regard to the accounting, printing, mailing, loss of use of funds, or otherwise, shall be recoverable by the Contractor through the rates allowed by the County provided such expenses are reasonable.
- e. Contractor shall inform Customer of all rate increases at least 30 days prior to their effective date. The form and content of rate change notices shall be subject to the review and approval of the Director. A copy of such notice shall be provided to County at the time of Customer notification.
- f. Contractor shall accommodate placement of messages requested by the County on Customer bills and arrange for the inclusion of printed inserts subject to the direction and approval of the Director. County shall notify Contractor six (6) weeks in advance of requesting placement of billing inserts in or messages upon bills. Contractor shall not be obligated to include, printed inserts or messages provided by the County less than three (3) weeks before the bill distribution date.

- 11. Section 17, **RECYCLING**, is deleted in its entirety and replaced with the following:
  - 17. **RECYCLING.** County grants to Contractor the right and obligation to operate Recycling programs, including pickup of Recyclable Material, as determined and designated by County, subject to County's right to terminate this grant to Contractor pursuant to the provisions of this section.

In the Franchise Area, Contractor has instituted and implemented a Recycling program that includes mandatory Recycling with regular pickup of Recyclable Material at all single and multi-family residences, (including apartments and, condominiums) and businesses. These Recycling services and a list of the Recyclable Material currently collected for Recycling are set forth in Exhibit B. This program is currently operating to the satisfaction of County; however, County has the right at any time to modify said program or require new programs as provided for in sections 12.b through 12.d hereof.

Contractor shall maintain and provide to the County records relating to its Recycling programs as directed by the Director. Unless otherwise required by the Director, Contractor shall provide the County with semi-annual reports on the Recycling program, which will include:

- a. Participation level (i.e., the number of residences and businesses setting out recycling and green waste carts for collection), which may be based on averages or sampling method acceptable to Contractor and the Director.
- b. Quantity of materials collected for Recycling, composting or disposal, in tons, by type of Recyclable Material (e.g., newspaper, glass, plastic, metal, yard waste, municipal solid waste, etc.), totaled by month.
- c. Upon request of the Director, Contractor shall report semi-annual revenues received for each type of Recyclable Material and for all Recyclable Material collected.

Expenses incurred by Contractor to prepare and submit reporting data required by the County pursuant to this Franchise shall be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor.

Contractor's provision of Recycling service shall be reviewed as needed, at County's discretion. If County determines that continuation of such service by Contractor is not consistent with the County's ratepayers' best interests, but not as a result of Contractor's failure to satisfactorily provide

Recycling services, Contractor shall be allowed to recoup its unamortized capital expenditures as follows. Contractor shall make a good faith effort to sell all disposable assets acquired in furtherance of the program for their fair market value. If income derived from the sale is insufficient to cover the unamortized costs of such assets, Contractor may transfer those losses together with net operations profits or losses to its general account and submit a rate application to cover such losses.

If County determines that Contractor has failed to satisfactorily provide and perform Recycling services, County may terminate this grant to Contractor of the right and obligation to provide and operate Recycling programs, at no cost or further obligation on the part of the County or County's ratepayers.

- 12. Section 18, **FREE SERVICE FOR COUNTY AND COMMUNITY**, is deleted in its entirety and replaced with the following:
  - 18. SERVICES FOR COUNTY DESIGNATED LOCATIONS AND FACILITIES. Contractor shall collect and remove for disposal and Recycling all Solid Waste and Recyclable Material from County buildings, street cans and other public purpose facilities that are owned, operated or occupied by the County and identified on Exhibit D, attached hereto and incorporated herein. Contractor shall also provide services on an on-call basis at the request of the Director at specified locations within the public right-of-way and designated properties being abated by the County, in accordance with Exhibit D. Notwithstanding the foregoing, Contractor's obligation to provide on-call services as described in this Section 18 and Exhibit D is conditioned upon approval by the County Board of Supervisors of Collection Rates that account for estimates of Contractor's allowable costs of providing these services. Services performed pursuant to this Section 18 must be provided but not billed to the County. Expenses incurred by Contractor in performing services pursuant to this Section will be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor. Notwithstanding Section 38 of this Agreement, Exhibit D may be amended by the Director from time to time to change the list of County-designated locations and facilities or the services to be provided to these locations and facilities.
- 13. Section 19, **FRANCHISE AREA-WIDE COLLECTION**, is deleted in its entirety and replaced with the following:
  - 19. FRANCHISE AREA-WIDE COLLECTION.
    - a. Unless otherwise determined by the Director, in each year of this Agreement, Contractor shall provide the curbside collection

- services described in Subsections 2.B. and 2.C. of Exhibit B to each residential Customer, on an on-call basis, upon request of the Customer.
- b. Contractor shall submit semi-annual reports to the Director indicating (i) the number of curbside general clean-ups performed during the reporting period, and (ii) the number of curbside pickups of bulky waste items performed during the reporting period. Expenses incurred by Contractor in performing services pursuant to this Section will be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor.
- c. The services required by this Section will be provided in accordance with practices and procedures established by Contractor and subject to the approval of the Director.
- d. Notwithstanding Section 38 of this Agreement, Exhibit B may be amended by the Director from time to time to reflect changes to the scope and frequency of services required by this Section, including enhancements proposed by the Contractor.
- 14. Section 20, **PARTICIPATION IN COMMUNITY CLEAN-UP PROJECTS**, is deleted in its entirety and replaced with the following:

# 20. PARTICIPATION IN COMMUNITY CLEAN-UPS.

- a. Upon the request of the Director, Contractor shall provide Solid Waste debris boxes or equivalent containers for community clean-up events or other clean-up projects within the Franchise Area, as specified in Exhibit D. Contractor is not obligated to provide more than the equivalent of five (5) 20-cubic-yard debris boxes per year in the Franchise Area pursuant to this Section, as long as the Franchise Area is not expanded.
- b. Expenses incurred by Contractor in performing services pursuant to this Section, if properly documented in the rate application(s) submitted by Contractor, shall be treated as allowable for rate setting purposes.

15. Section 23, **ADMINISTRATIVE SERVICES AND FRANCHISE FEES**, is deleted in its entirety and replaced with the following:

# 23. ADMINISTRATIVE SERVICES AND FRANCHISE FEES.

ADMINISTRATIVE SERVICES FEES. As directed by the a. County, Contractor shall pay to the County fees to cover the costs incurred by County in (1) the administration of this Agreement and, (2) the services and programs provided by County pertaining to Solid Waste. These fees will be referred to as "Administrative Services Fees." The amount, time and frequency of payment of such fees may be established by County from time to time. No Administrative Services Fees are due and owing to the County as of the date of the Third Amendment to this Agreement. Administrative Services Fees that are established after the effective date of the Third Amendment to this Agreement will be payable from Contractor to the County on the earlier of either (1) the effective date of rates charged by Contractor to Customers that incorporate such Administrative Services Fees; or (2) the first day of the second calendar month immediately following County's determination of a maximum rate that incorporates such Administrative Services Fees.

#### b. FRANCHISE FEE.

- (1) Contractor shall pay the County an amount equal to a percentage of Contractor's Gross Annual Revenues (such amount, the "Franchise Fee"). The Franchise Fee is payable at the time and frequency established by the Director from time to time. For purposes of this Agreement, "Gross Annual Revenues" means all money generated by Contractor's operation in the Franchise Area in a particular year, before deduction for expenses.
- (2) Effective March 1, 2017, the Franchise Fee is equal to three percent (3%) of Contractor's Gross Annual Revenues. If approved by the Board of Supervisors commensurate with associated adjustments to the maximum rates, the Franchise Fee shall be seven percent (7%) of the Contractor's Gross Annual Revenues effective on April 1, 2018.
- (3) Following the date of the Third Amendment to this Agreement, subject to applicable legal limitations, the County may adjust the Franchise Fee. Any adjustment to the Franchise Fee will be effective on the earlier of (1) the effective date of a change in the rates Contractor charges

Customers, if the changed rate incorporates the adjusted Franchise Fee; or (2) the first day of the second calendar month immediately following the County's Board of Supervisors of a Collection Rate that incorporates the adjusted Franchise Fee.

- c. **PASS THROUGH.** Administrative Services Fees and the Franchise Fee shall be considered reasonable costs and subject to "pass-through" if properly accounted for pursuant to Section 9 Rate Applications and the Rate Manual.
- 16. Section 28, **INDEMNIFICATION**, is deleted in its entirety and replaced with the following:

### 28. **INDEMNIFICATION.**

**a. Complete Indemnification of County.** All work and performance covered by this Agreement shall be at the risk of Contractor.

Contractor agrees to save, indemnify and keep harmless the County, its officers, employees, agents and assigns against any and all liability, claims, judgments, or demands, including demands arising from injuries or deaths of persons and damage to property, including environmental damage, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the sole negligence or willful misconduct of County, and will make good to and reimburse County for any expenditures, including reasonable attorney's fees, that County may make by reason of such matters and, if requested by County shall defend any such suit at the sole cost and expense of Contractor.

The above promise by Contractor to indemnify, hold harmless and defend the County expressly includes, but is not limited to, all claims, damages (including but not limited to special and consequential damages), natural resources damages, punitive damages, injuries, costs, response, remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal administrative proceedings, interest, fines, charges, penalties and expenses (including but not limited to attorney's and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, County, its officers, employees or agents arising from or attributed to any repair, cleanup or detoxification, or preparation and

implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substances or hazardous waste at any place where municipal solid waste is or has been transported, transferred, processed, stored, disposed of or otherwise come to be located by Contractor under Agreement, or the activities of Contractor pursuant to this Agreement resulting in a release of hazardous substances or waste into the environment. The foregoing is intended to operate in part as an agreement, pursuant to section 107 (e) of the Comprehensive Environmental Response, Compensation and Liability Act, "CERCLA," 42 U.S.C. section 9607(e), and California Health and Safety Code section 25364, to defend, protect, hold harmless and indemnify County. The intent of the section is to provide County with the highest level of protection possible under existing and future laws.

b. Defense of Agreement. Should any party successfully challenge the validity of this Agreement, the procedure by which this Agreement was entered into or the validity of any County ordinance which authorizes the County to enter into this Agreement, then in such case the Contractor shall have no cause of action for damages or any other relief against County as a result of such successful challenge.

Contractor has the right to defend this Agreement and County. County has no duty to Contractor to defend the validity of this Agreement or any provision hereof.

- 17. Section 32. **NOTICE PROVISIONS**, is deleted in its entirety and replaced with the following:
  - 32. **NOTICE PROVISIONS.** Any notice required or permitted under this Agreement shall be in writing and shall be directed to the following persons at the following addresses:

To Contractor:

Crockett Sanitary Service, Inc. Attn: General Manager 3260 Blume Drive, Suite 115 Richmond, CA 94806 Third Amendment - Franchise Agreement with Crockett Sanitary Service, Inc.

To County:

Contra Costa County
Department of Conservation and Development
Attn: Director of Conservation and Development
30 Muir Road
Martinez, CA 94553

All notices shall be effective upon delivery if given by personal delivery, or ten (10) days after mailing if given by certified mail, return receipt requested.

- 18. Exhibits. All exhibits are deleted and replaced with the following exhibits, which are attached hereto and incorporated herein:
  - Exhibit A Map of Franchise Area
  - Exhibit B Residential & Commercial Services and Maximum Rates
  - Exhibit C Diversion Data Reporting Form
  - Exhibit D Services for County Designated Locations and Facilities
- 19. The Agreement as amended by this Third Amendment shall be construed together as one and the same agreement and is the entire agreement between the Parties.

IN WITNESS WHEREOF, the Parties have entered into this Third Amendment as of the Effective Date.

COUNTY OF CONTRA COSTA	CROCKETT SANITARY SERVICE, INC.
By:	By: Michael Capul
Chair, Board of Supervisors	Name: Michael Caprio
	Title: Area President West
Attest: David Twa, Clerk of the Board of Supervisors and County Administrator	By: Nober
Supervisors and County Administrator	Name: SHAWN MOBERG
	Title: GENERAL MANAGER
By:	4/2/11
Deputy	[Note: Two officers must sign on behalf of corporations. The first must be the chairman of the board, president or any vice president; the second must be the secretary, assistant secretary, chief financial officer or any assistant treasurer. (Corp. Code, § 313; Civ. Code, § 1190.)]

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# Attachments:

Exhibit A Map of Franchise Area

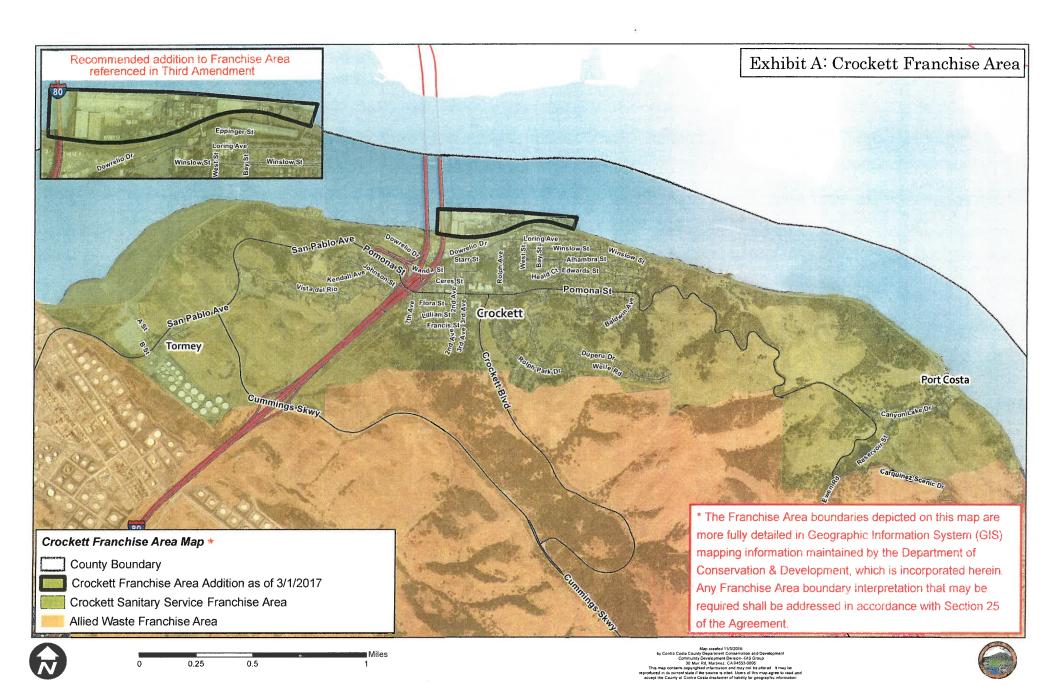
Exhibit B Residential & Commercial Services and Maximum Rates

Exhibit C Diversion Data Reporting Form

Exhibit D Services for County Designated Locations and Facilities

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	
County ofContra Costa	}
On <u>2/2/2017</u> before me,	Janna M. Coverston
personally appearedMicha	Here insert Name and Title of the Officer
Notary Public or other officer completing the certificate verifies only the identity of the individual who signed the ocument to which the certificate is attached, and not the athfulness, accuracy or validity of the document.	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
JANNA M. COVERSTON Commission # 2047532 Notary Public - California Contra Costa County My Comm. Expires Nov 28, 2017	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
Though the information below is not required by law.	Signature Signature of Notary Public  TIONAL  it may prove valuable to persons relying on the document reattachment of this form to another document.
Description of Attached Document	realization of this form to another document.
Title or Type of Document:Franchise Ame	endment
Document Date: March 1, 2017  Signer(s) Other Than Named Above:	Number of Pages: 20 + Attach A,B,C & I
Capacity(ies) Claimed by Signer(s)	
Signer's Name: Michael Caprio  Individual  Corporate Officer — Title(s): Area Pres. — Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other:	☐ Attorney in Fact OF SIGNER
Signer Is Representing: Crockett Sanitary Service	Signer Is Representing:Crockett Sanitary Service



# **EXHIBIT B**

# RESIDENTIAL & COMMERCIAL SERVICES AND MAXIMUM RATES Crockett, Port-Costa and Tormey

Dated: March 1, 2017

# Section 1: GENERAL OBLIGATIONS RELATED TO BASIC SERVICES

Contractor shall offer to provide the services set forth herein, effective March 1, 2017. The services described in Sections 2A, 3 and 4 of this Exhibit B are the basic services that Contractor is required to provide under Section 5 of the Agreement. The services described in Section 2.B and 2.C is the franchise area-wide collection required under Section 19 of the Agreement. The collection services specified herein may be modified from time to time as provided for in Sections 5 and 19 of the Agreement.

Contractor shall cause source-separated organics collected in the Franchise Area not to be used as landfill cover; instead, collected organics shall either be composted or otherwise diverted in accordance with the Integrated Waste Management Act subject to the review and approval of the Director or his designee.

Contractor shall provide semi-annual reports with information requested by the Director or his/her designee pertaining to collection and diversion activities, including, but not limited to quantities collected, participation, contamination levels and other operational statistics for routine and on-call pickup of trash, Recyclable Material, and construction and demolition (C&D) materials.

## Section 2: RESIDENTIAL SERVICES

Contractor shall provide standard residential service for single-family homes and duplexes upon request of residential Customers consisting of routine collection of trash, Recyclable Material (non-organic and organic) and supplemental on-call collections as set forth in this Section 2, Section 4 and Section 5 of this Exhibit B.

## **A. ROUTINE COLLECTION**

- 1. **Pickup Locations:** Customers shall have the choice of selecting backyard or curbside trash service. Curbside collection is available at a reduced rate for all but mini-can (20-gallon) service. Contractor shall collect trash from carts placed at the curb (curbside service) or from the Customers' containers placed on their property (backyard service). Contractor shall provide collection for Recyclable Material in blue and green wheeled carts that Customers place at the curb. Backyard service for organic and non-organic Recyclable Materials shall be made available to Customers where no one in the household is able to move carts to the curb, at the standard residential rate. Annual medical certification of disability is required.
- Containers: Only wheeled carts provided to Customers by Contractor will be serviced unless Customers request backyard service using their own trash container (20-gallon, 32-gallon or 45-gallon). Contractor shall provide each Customer with three separate wheeled carts to be used for curbside collection of trash, organic

Recyclable Material and non-organic Recyclable Material. Customers shall select their cart sizes from the following options to be made available by Contractor: 20-gallon, 35-gallon, 65-gallon or 95-gallon brown trash carts; 65-gallon blue Recyclable Material carts, and 65-gallon green organic Recyclable Material carts.

3. **Frequency:** Contractor shall provide weekly collection of trash and Recyclable Material placed by Customers in accordance with the above requirements.

## B. ON-CALL CURBSIDE CLEAN-UP (Bagged Materials)

Contractor shall provide curbside clean-ups as described in this Section to each residential Customer on an on-call basis pursuant to Section 19 of the Agreement. The following parameters apply to on-call curbside clean-ups (bagged materials) to be provided by Contractor:

- 1. One on-call curbside clean-up will be offered to Customers at no additional charge in 2017. Upon the effective date of the 2018 rate change, Contractor shall increase service to two annual on-call curbside clean-ups.
- 2. On-call curbside clean-ups can be used for either trash or organic Recyclable Material.
- 3. On-call clean-ups are scheduled upon request of the Customer. Clean-ups will be arranged to occur on the next regularly scheduled collection day.
- 4. Mixed set-outs of trash and Recyclable Material will be collected and disposed of as Solid Waste.
- 5. A maximum of two cubic yards of bagged material (up to fifteen 35-gallon bags) will be collected in each on-call curbside clean-up.
- 6. All items must be bagged.
- 7. Filled bags must weigh no more than 30 pounds and be strong enough to hold contents securely.
- 8. All bagged materials must be placed at the curb for collection.

## C. ON-CALL CURBSIDE BULKY COLLECTION

Upon the effective date of the 2017 rate change, Contractor shall offer residential Customers one on-call curbside bulky item collection each year at no additional charge upon Customers request. Contractor shall prepare written information, subject to review and approval by the Director or his designee, announcing the start of this new service. Contractor shall distribute information to all residential Customers at the same time as the 30-day notice required for the 2017 rate change to take effect.

The following parameters apply to on-call curbside bulky item collection:

- 1. One (1) Christmas tree, major residential appliance or other bulky item or up to five (5) e-waste items may be disposed of in one (1) on-call curbside bulky item collection per year.
- 2. Each item to be collected can weigh no more than 200 pounds.
- Only bulky items that won't fit in waste cart, cannot be bagged for annual on-call curbside clean-up and are not collected for Recycling curbside will be accepted.
- 4. On-call curbside bulky item collection will be scheduled on a different date than the regular route, which is disclosed to Customers at the time they call. Collection will be scheduled on a date to be agreed upon by the Contractor and Customer.

## **Section 3: COMMERCIAL SERVICES**

Commercial Customers are Customers that receive commercial collection services under the Agreement. Commercial collection services are provided to entities that generate Commercial Solid Waste as well as multi-family buildings and developments with three or more housing units. Contractor shall provide the basic services described below to commercial Customers upon request.

Contractor shall offer Recyclable Material collection as a part of the basic services provided to all commercial Customers.

Contractor shall offer the County the opportunity to participate in each bulk purchase of internal containers and other assets (posters, bags, etc.) to increase recycling by commercial Customers.

### A. TRASH COLLECTION

- 1. Contractor shall provide commercial Customers with the option of selecting trash bin sizes ranging from one (1) to seven (7) cubic yards, or 35-gallon, 65-gallon or 95-gallon carts.
- 2. Contractor shall provide commercial Customers with bin service the option to select their preferred frequency of trash collection, ranging from one (1) to five (5) times per week.

## **B. RECYCLING COLLECTION**

- 1. Contractor shall provide the following Recycling collection services to commercial Customers:
  - a. Collection of non-organic Recyclable Material described in Section 4.A. in this Exhibit B that has been source-separated by the Customer from carts and bins at a minimum weekly and up to three times per week, as requested by the Customer.
  - b. Collection of Recyclable wood and green waste Material that has been source-separated by the Customer from carts and bins weekly and up to three times per week, as requested by the Customer.
- 2. Provide commercial Customers with the option of selecting recycling and organics carts and bins in sizes that meet their needs (maximum container size for Recyclable food waste Material to be collected for Recycling is two cubic yard bin or 65-gallon cart).
- 3. Contractor shall mail notices regarding collection service options for organic and non-organic Recyclable Materials to all commercial Customers. The written notice shall address cart/bin sizes and frequency options and include a list of Recyclable Material collected as specified in Section 4 of this Exhibit as well as options to arrange for new or expanded collection services. The form and content of the Customer notice shall be subject to the review and approval of the Director or his designee. This can be addressed in Customer informational materials required under Section 10.d of the Third Amendment.

# C. COMMERCIAL PROGRAMS MANDATED BY THE STATE

- 1. Contractor shall provide the County with information and assistance requested by the Director for the purpose of monitoring, documenting and maintaining compliance with applicable requirements, including but not necessarily limited to the State's mandatory commercial Recycling laws, namely Assembly Bill 341 (AB 341¹) and Assembly Bill 1826 (AB 1826²).
- 2. Contractor shall provide the County with a report for each calendar year detailing the number of covered entities as defined by the above referenced laws ("Covered Entities"), that are or are not participating in Recyclable Material collection, the number of waste assessments conducted, a summary of any additional educational and outreach efforts that may have been undertaken, a copy of a sample compliance letter and annual compliance letter mailing list. Contractor shall also provide additional information required for reporting to CalRecycle upon request of the Director or his designee.
- 3. Contractor shall publish information on its website on how businesses, public entities, and multi-family complexes can comply with the State law.
  - a. Contractor shall make printed information about AB 341 and AB 1826 requirements readily available to businesses, public entities, and multi-family complexes. This information can be in the form of newsletters, bill messages, bill inserts, letters, e-mail notifications, or special similar methods of notification approved by the Director or his designee.
  - b. Contractor shall provide waste assessments to commercial Customers upon request. During waste assessments, Contractor shall provide Customers with information and/or materials related to mandatory Recycling.

<sup>&</sup>lt;sup>1</sup> AB 341 amended Public Resources Code (PRC) Sections 41730, 41731, 41734, 41735, 41736, 41780.02, 41800, 42926, 44004, and 50001, and added PRC Sections 40004, 41734.5, 41780.01 and Chapter 12.8 (commencing with Section 42649).

<sup>&</sup>lt;sup>2</sup> AB 1826 added Chapter 12.9 (commencing with Section 42649.8) to the Public Resources Code.

# Section 4: RESOURCE RECOVERY AND DIVERSION

# A. RECYCLABLE MATERIALS (NON-ORGANIC)

Non-organic Recyclable Material to be collected by Contractor from *residential recycling* carts and commercial recycling bins/carts at no additional charge includes:

- Aluminum cans, clean foil & clean foil food containers
- 2. Glass bottles, jars (all colors)
- 3. Plastic #1 -7 narrow-necked bottles
- 4. Steel/tin cans
- 5. Plastic bags (tightly bagged/bundled)
- 6. Uncoated and uncontaminated paper (newspaper, white paper, mixed paper, colored paper, chipboard, clean cardboard with no food or drink contamination, phone books, paper bags, junk mail, envelopes, clean cardboard egg cartons, magazines, paperback books, catalogs etc.)
- 7. Juice and milk cartons

Used motor oil and used oil filters to be collected by Contractor from *residential* Customers at no additional charge if placed out for collection using designated Used Oil Recycling Kits (kits purchased with grant funding).

## B. RESIDENTIAL ORGANIC RECYCLABLE MATERIAL

Organic Recyclable Material to be collected by Contractor from *residential green waste carts* at no additional charge includes:

#### Green Waste

- Yard trimmings
- 2. Grass clippings
- 3. Leaves and flowers
- 4. Pine needles
- 5. Weeds
- 6. Christmas trees (cut/trimmed to fit in green waste carts)
- 7. Untreated and unpainted wood (cut/trimmed to fit in green waste carts)
- 8. Pinecones, nuts and other organic debris from plants and trees, except palm fronds or ivy

### Other Organic Materials

- 9. Coffee filters
- Cardboard, paper egg cartons and other paper products soiled with food and drink contamination
- 11. Uncooked fruit and vegetables
- 12. Waxy cardboard
- 13. Waxed paper
- 14. Food soiled paper
- 15. Food waste

## C. COMMERCIAL ORGANIC RECYCLABLE MATERIAL

Organic Recyclable Material to be collected by Contractor from *commercial* organic waste bins/carts at no additional charge includes:

#### Green Waste

- 1. Yard trimmings
- 2. Grass clippings
- 3. Leaves and flowers
- 4. Pine needles
- 5. Weeds
- 6. Christmas trees (cut/trimmed to fit in green waste carts)
- 7. Untreated and unpainted wood (cut/trimmed to fit in green waste carts)
- 8. Pinecones, nuts and other organic debris from plants and trees, except palm fronds or ivy

#### Other Materials/Food Waste

- 9. Coffee filters
- 10. Cardboard and paper egg cartons with food and drink contamination
- 11. Uncooked fruit and vegetables
- 12. Waxy cardboard
- 13. Waxed paper
- 14. Food soiled paper
- 15. Food waste

### D. CONSTRUCTION AND DEMOLITION DEBRIS RECOVERY

Contractor shall offer debris boxes to a Customer upon request for collection and Recycling of Recyclable construction and demolition (C&D) debris. Recyclable C&D debris includes, but is not necessarily limited to: glass, paper, cardboard, wood, concrete, plastic, ferrous and non-ferrous metal, aluminum and any other C&D material that is feasibly capable of being Recycled.

Contractor may charge for C&D debris box services provided that Customer is made aware of and agrees to the estimated charges in advance. Maximum rates subject to County approval do not include or apply to these debris box services. County does not set maximum rates for debris box services. Contractor shall include revenues from debris box services in calculations of Gross Annual Revenues under Section 23 of this Agreement. Contractor shall account for debris box revenues and costs in the rate application(s) submitted to the County.

# Section 5: OPTIONAL SERVICES AVAILABLE FOR ADDITIONAL CHARGE

Contractor provides residential Customers the option of requesting the following services. Maximum rates approved by the County do not include these optional services. Contractor may impose an extra charge to provide listed services if the Customer is made aware of and agrees to the charges in advance.

- 1. Extra waste pickup (on-call) Upon request by a Customer, Contractor shall take provide Customer with an estimate of the cost of collection of the items, and then schedule a pick up date with the customer.
- 2. Collection of extra bagged material (prepaid bag ties) Contractor will pickup bagged material on the scheduled collection date if the bags are marked with prepaid bag ties that Customer may purchase in advance. Material placed in plastic bags will be picked up by the garbage truck and disposed of as trash. Material placed in compostable bags will be picked up by the green waste truck and recycled.
- 3. Extra bulky item pickup (on-call)
- 4. Cart wash out (on-call)
- 5. Request for expedited on-call curbside clean-ups or on-call curbside bulky item collection

Contractor shall include revenues from optional services in calculations of Gross Annual Revenues under Section 23 of this Agreement.

Contractor shall properly segregate the revenues and costs associated with these optional services requested by Customers for the purposes of rate setting. Contractor shall account for these revenues and costs in the rate application(s) submitted to the County.

## Section 6: MAXIMUM COLLECTION RATES

The maximum Collection Rates listed herein are the rates in effect as of March 1, 2017 which do not reflect any 2017 rate change. The rates specified herein may be modified from time to time in accordance with Section 8.c of the Agreement.

# A. MAXIMUM COLLECTION RATES FOR RESIDENTIAL SERVICE<sup>1</sup>

	Weekly Backyard <sup>3</sup> - Custome	er Can (MONTHLY R	ATES)				
Waste Can Size	Waste Can + <u>Curbside</u> 65-gal Recycling Cart	<u>Curbside</u> 65-gal Green Waste Cart	Total Monthly Rate <sup>4</sup>				
20-gal	19.56	2.88	22,44				
32-gal	24.44	2.88	27.32				
45-gal	33.02	2.88	35.90				
Additional Wa	Additional Waste Cans (See note 5 below for Additional Recycling or Green Waste Carts)						
32-gal	20.77						
45-gal	29.35						

	<i>Neekly Curbside</i> <sup>2</sup> - Customer	Can (MONTHLY R.	ATES)				
Waste Can Size	Waste Can + 65-gal Recycling Cart	65-gal Green Waste Cart	Total Monthly Rate <sup>4</sup>				
20-gal	19.56	2.88	22.44				
32-gal	23.73	2.88	26.61				
45-gal	32.27	2.88	35.15				
<b>Additional Wa</b>	Additional Waste Cans (See note 5 below for Additional Recycling or Green Waste Carts)						
32-gal	20.06						
45-gal	28.60						

Weekly Curbside <sup>2</sup> - Wheeled Carts (MONTHLY RATES)						
Waste Cart Size	Waste Cart + 65-gal Recycling Cart	65-gal Green Waste Cart	Total Monthly Rate⁴			
20-gal	19.56	2.88	22.44			
35-gal	23.73	2.88	26.61			
65-gal	43.78	2.88	46.66			
95-gal	53.81	2.88	56.69			
Additional Wa	aste Carts (See note 5 below for Addit	tional Recycling or Green W	aste Carts)			
35-gal	20.06	Renderation and the				
65-gal	40.11					
95-gal	50.14					

- Standard residential service = Weekly collection of one waste can/cart (Backyard 20, 32 or 45-gal customer can, plus weekly curbside collection of one 65-gallon cart each for Recycling and yard waste,
- Optional weekly Curbside collection of 20, 32 or 45-gal customer can, or 20, 35, 65 or 95-gal waste cart, plus weekly Curbside collection of one 65-gal Recycling cart and one 65-gal green waste (organics) cart.
- 3 Backyard = On-site waste service (carry out from and return to backyard), not applicable to Recycling or Green Waste/organics
- Rates based on waste container size, filled to rim, with lids fully closed. Customers with approved Green Waste exemptions shall be charged the Total Monthly Rate minus the charge for the Weekly Curbside Green Waste Cart.
- Additional Recycling/Green Waste Carts: Recycling (65-gal) \$3.67 per cart per month + \$27.42 per delivery Green Waste (65-gal) - \$2.88 per cart per month + \$27.42 per delivery

# B. MAXIMUM COLLECTION RATES FOR COMMERCIAL SERVICE

## **CART AND BIN SERVICE**

Cart Service – Curbside				
Cart Size	Monthly Rate <sup>5</sup>			
35-gal	30.58			
65-gal	64.61			
95-gal	79.89			
<ul> <li>Weekly waste collection + weekly</li> <li>65-gallon Recycling collection.</li> </ul>				

Bin Service					
Monthly Rate					
Bin Size	Collections per week				
Dill Size	1	2	3	4	5
1-yard	121.15	193.3	245.88	298.99	351.12
2-yard	162.74	245.88	303.42	360.94	418.45
Notes:					

Includes collection of non-organic Recycling and green waste/wood waste in containers equivalent in size to containers used for Solid Waste

### **ROLL-OFF DEBRIS BOX SERVICE**

Debris Box Service					
Box Size	Per Pull Rate <sup>6</sup>	Included Disposal (Tons) <sup>7</sup>			
10-Yard	208.76	1.00 ton			
14-Yard	293.94	1.5 tons			
20-Yard	343.13	1.75 tons			

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<sup>&</sup>lt;sup>6</sup> Temporary rental - 5-day maximum.

<sup>7</sup> Additional charge of \$100.00 per ton applies for disposal in excess of the amounts listed above.

# UNINCORPORATED CONTRA COSTA COUNTY DIVERSION DATA

Is the data taken from an annual report (Yes or No)? If not, which quarter of the year (e.g. 1,2,3 or 4)? Year:	
ENTER TONNAGES (unless of	TERIAL TYPES therwise specified) BY MATERIAL TYPE are shown in parenthesis
PAPER	HHW / E-WASTE
Corrugated Cardboard (OCC):  Newsprint (ONP):  High grade (HG):  Mixed Paper (MP):  Magazines (OMG):  PLASTIC  Polythylene Terepthalate #1 (PET)  High Density Polyethylene #2 (HDPE)  Polyvinyl Chloride #3 (PVC)	Disposable Batteries – each: Auto Batteries – each: CFL Bulbs – each: TVs & Monitors (CRTs) – each E-Waste without Display(s) – each  INERTS, CONSTRUCTION / DEMOLITION, DIRT
Low Density Polyethylene #4 (LDPE) Polypropylene #5 (PP): Polystyrene #6 (PS): Other (P-X):	Inerts (INRT): Asphalt (Asph)
GLASS	OTHER MATERIALS
CA Redemption Value Cont. (CRV) Non CRV Bottles and Jars (No CRV) Other Glass (GLS):	TS/LF Salvage (Salvage):
METAL  Aluminum Cans (UBC): Tinned cans and ferrous (Fe): Other non-ferrous (N-Fe): Generic Metal (Mixed):	White Goods (WG):  Reusables (REUSE):  Tires – each:  Commingled: Other (OTHER): Residuals (Non-Diversion):
ORGANICS	
Yard Waste (YW): Food Waste (FW): Wood Waste (WW): Mixed Organic Waste (MOW):	
Completed by: Phone No. E-Mail	Date: Page of

# Instructions for completing diversion data forms:

The attached form has been designed to assist Contra Costa County in compiling information on diversion programs in unincorporated areas of the County. The use of these forms will aid County staff in tracking the progress of individual waste diversion programs and unincorporated communities. The following instructions have been written to assist you in accurate and efficient completion of these forms:

• Service Provider: Enter the name of your company or franchised service provider.

• Program Type: Enter the program name (for example: curbside pick-up,

drop-off, special collection event). Complete a separate form for

each program!

• Unincorporated Service Area: If possible, indicate the Unincorporated Service Area where the

materials came from (e.g. Crockett). If specific information is unavailable, use a more general description to identify the location or region (e.g. use West County to identify materials collected in the western region of Contra Costa County). Complete a separate

form for each Unincorporated Area!

• On the next two lines, please indicate whether the data represents an entire year or is a single quarter. If data is for a single quarter, be sure to use a new form for each quarter of data.

- Enter the tonnages of each material type you handle. If you have a material type that does not appear on the list, use one of the categories listed as listed as "other" to report materials. For paper grades not listed, use either "mixed paper" or "high grade paper", as appropriate.
- Use the space provided under "notes" to make any special comments about the data presented in the form.
- At the bottom of the page write your name, the name of your organization and phone number, the date; and the current page and total number of pages being submitted.

If you have any questions or concerns regarding the completion of these forms, please call Marjorie Koll or Deidra Dingman at (925) 674-7203.

Thank You For Your Assistance!

# **EXHIBIT D**

# SERVICES FOR COUNTY DESIGNATED LOCATIONS AND FACILITIES

Dated: March 1, 2017

# Section 1: GENERAL OBLIGATIONS RELATED TO SERVICES FOR COUNTY DESIGNATED LOCATIONS AND FACILITIES

Sections 18 and 20 of the Agreement require the Contractor to provide the services set forth herein. The services described in Section 18 of the Agreement are the routine services described in Section 2 of this Exhibit D and the on-call services described in Section 3.A. and 3.B. of this Exhibit D. The services described in Section 20 of the Agreement apply to the on-call community clean-up services described in Section 3.C. of this Exhibit D.

# Section 2: ROUTINE SERVICES FOR COUNTY DESIGNATED LOCATIONS AND FACILITIES

As of the date of this Exhibit D, the public facilities where the Contractor is required to provide Solid Waste and Recyclable Material collection services are:

- i. Crockett Community Center
- ii. 21 existing public use "street cans" (16 to be repaired and replaced as needed)
- iii. Lift station serving Crockett's primary wastewater treatment plant operated by the Community Service District's (CSD) Sanitary Department Sewage grit dumpster to be serviced within 48 hours of receiving each request
- iv. Crockett Public Library
- v. Fire stations in Crockett and Port Costa
- vi. Crockett Pool/Park

The locations and service levels for each of the above public facilities are set forth in the table below. The public facilities, locations and related service levels specified herein may be modified from time to time as provided for in Section 18 of the Agreement.

E	Public Facilities Being Served in		SERVICE LEVEL [Weekly unless otherwise specified]		
C	rockett-Tormey- Port Costa	Location	<b>Trash</b> (Qty/Size)	Recycling (Qty/Size)	Organics (Qty/Size)
i.	Crockett Community Center	850 Pomona St	10 / 95-gal [twice per week]	5 / 65-gal	N/A
	Street cans in Crockett (19)	(1) 1325 Pomona St – Valona Market (left side of Market store front)	35-gal	N/A	N/A
		(2) 1300 Pomona St – Northwest Corner of Pomona St & 2 <sup>nd</sup> Ave	35-gal	N/A	N/A
lii.		(3) Northwest Corner of Pomona St & 3 <sup>rd</sup> Ave	35-gal [twice per week]	N/A	N/A
		(4) 1245 Pomona St – Leonard's Automotive (Crocket Auto Service) Near Southwest Corner of Pomona St & 3 <sup>rd</sup> Ave	35-gal [twice per week]	N/A	N/A
		(5) Front of John Swett High School – Northeast Corner of Pomona St & Crockett Blvd near Bus Stop	35-gal	N/A	N/A

Public Facilities Being Served in			SERVICE LEVEL [Weekly unless otherwise specified]		
С —	rockett-Tormey- Port Costa	Location	Trash (Qty/Size)	Recycling (Qty/Size)	Organic (Qty/Size
		(6) Rolph Memorial – Southwest Corner of Rolph Park Dr & Pomona St	35-gal	N/A	N/A
		(7) 491 Pomona St – J & L Market, Southeast Corner of Pomona St & Atherton Ave	35-gal [twice per week]	N/A	N/A
		(8) 628 2nd Ave – across from Toot's Tavern, Northwest Corner of Ceres St & 2nd Ave	35-gal	N/A	N/A
		(9) 2nd Ave & Wanda St – Southwest Corner near bus stop	35-gal*	N/A	N/A
		(10) 501 Port St – Fishing area near The Nantucket restaurant	35-gal	N/A	N/A
		(11) Southwest Corner of Rolph Ave & Loring Ave at Bus Stop	35-gal	N/A	N/A
		(12) West side of Rolph Ave just South of Rolph Ave & Winslow St	35-gal	N/A	N/A
	Street cans in	(13) 891 Loring Ave – Southeast Corner of Loring Ave & Rolph Ave (along Rolph Ave)	35-gal	N/A	N/A
ii.	Crockett (19)	(14) 900 Loring Ave – Crockett Historical Museum, Northwest Corner of Loring Ave & Rolph Ave	35-gal	N/A	N/A
		(15) Crockett Plaza – Northeast Corner of 2nd Ave & Pomona St adjacent to 729 2 <sup>nd</sup> Ave	35-gal [twice per week]	N/A	N/A
		(16) 746 Loring Ave, Crockett-Carquinez Fire Station No. 78 – Northeast Corner of Loring Ave & West St	35-gal	N/A	N/A
		(17) Adjacent to 733 Loring Ave (East side), Across the Street from Crockett-Carquinez Fire Station (746 Loring Ave)	35-gal	N/A	N/A
		(18) Crockett Plaza – Near Northeast Corner of 2nd Ave & Pomona St in center Northeast side of Plaza	35-gal [twice per week]	N/A	N/A
		(19) Crockett Plaza – Near Southeast Corner of 2nd Ave & Pomona Street in Southeast corner of Plaza adjacent to 1214 Pomona St	35-gal [twice per week]	N/A	N/A
	Street Cans – Port		35-gal	N/A	N/A
	Costa (2)	(21) Near 23 Canyon Lake Dr, on West side of Street adjacent to Street Bench	35-gal	N/A	N/A
ii.	Lift Station at CSD Sanitary Treatment Plant	400 Port St	5-yd [On-call]	N/A	N/A
٧.	Crockett Library	991 Loring Ave	2 / 35-gal	2 / 65-gal	2 / 65-ga
	Crockett- Carquinez Fire Station	746 Loring Ave	95-gal	3 / 65-gal	65-gal
<b>√</b> .	Crockett- Carquinez Fire Station	1425 Lillian St	65-gal	65-gal	65-gal
	Port Costa Fire Station	49 Canyon Lake Dr	35-gal	65-gal	65-gal
∕i.	Crockett Pool/Park	850 Pomona St, Alexander Park area on Rolph Ave	5 / 95-gal [twice per week]	3 / 65-gal	N/A

# Section 3: ON-CALL SERVICES FOR COUNTY DESIGNATED LOCATIONS AND COMMUNITY CLEAN-UPS

The manner in which the on-call services required in Section 18 of the Agreement are to be arranged, provided and reported is described in Sections 3.A. and 3.B. Similarly, the community clean-up services required in Section 20 of the Agreement are to be scheduled, provided and reported as described in Section 3.C. Contractor shall provide operational and cost data by on-call service type upon request of the Director or his designee. In order to be considered for rate setting purposes, Contractor shall separately track costs for providing said on-call services requested by the County and such costs shall be segregated in rate applications. Expenses incurred by Contractor in performing services pursuant to Sections 18 and 20 of the Agreement will be treated as allowable for rate setting purposes to the extent such costs are properly accounted for in the rate application(s) submitted by Contractor.

**A. RIGHT-OF-WAY LOCATIONS:** Contractor shall remove Solid Waste and Recyclable Material from specified locations in the County rights-of-way within five (5) business days of receiving each written request from the Director or his designee.

Contractor shall track and report to Director all on-call services provided by Contractor at requested right-of-way locations. Contractor shall utilize the on-call service reporting template provided by Director or his designee, unless an alternative reporting format is approved by the Director or his designee.

Effective April 1, 2018, provided that an associated rate change has taken effect, Contractor shall provide up to six (6) right-of-way pick-ups to remove illegally dumped debris per year (unused pick-ups will be available in subsequent years).

- **B. ABATEMENT PROJECT LOCATIONS:** Upon written request of the Director or his designee, Contractor shall provide and service requested receptacle(s) at the specified abatement project locations in accordance with the following parameters:
  - 1. Contractor shall identify mutually agreeable date that the requested receptacle(s) will be delivered to the specified location within three business days of the written request.
  - 2. Contractor shall deliver the requested receptacle(s) on the date mutually agreed upon.
  - 3. Contractor shall remove the requested receptacle(s) on the date mutually agreed upon.
  - 4. Contractor shall track and report to Director all receptacles provided to County by Contractor and document the amount of material disposed or Recycled from receptacles. Contractor shall utilize the on-call service reporting template provided by the Director or his designee, unless an alternative reporting format is approved by the Director or his designee.

Contractor is not obligated to provide these services until an associated rate change takes effect.

C. COMMUNITY CLEAN-UPS: Contractor shall provide and service up to five (5) 20-cubic yard debris boxes per year, unless some other combination of boxes with equivalent total capacity is approved by the Director or his designee, at community clean-up locations in the Franchise Area specified by the Director or his designee pursuant to Section 20 of the Franchise Agreement. Contractor shall track and report in writing to Director the number of community clean-up boxes utilized at each location and associated amounts disposed of or Recycled semi-annually.

G:\Conservation\Deidra\\_Collection\Franchised Haulers\Crockett Garbage Service\Amendment 3\FINAL to be Executed\Exhibit D\_1-31-2017 CLEAN for Signature.doc

# **ATTACHMENT 2**



**Crowe Horwath LLP** 

Independent Member Crowe Horwath International

575 Market Street, Suite 3300 San Francisco, California 94105-5829 Tel 415.576.1100 Fax 415.576.1110 www.crowehorwath.com

November 23, 2016

Ms. Deidra Dingman Conservation Programs Manager Contra Costa County Department of Conservation and Development 30 Muir Road Martinez, California 94553-4601

Subject: Final Report - 2017 Base Year Rate Review of

**Unincorporated Contra Costa County Areas Served by** 

**Crockett Garbage Service** 

This letter report represents results of Crowe Horwath's (Crowe) review of the Base Year Rate Change Application (Application) submitted by Crockett Sanitary Service (CSS) for unincorporated Contra Costa County (County). CSS has provided residential, commercial, and industrial refuse collection services to the unincorporated County areas of Crockett, Port Costa, and Tormey (together referred to as Crockett area) since becoming the assignee of the County Franchise Agreement in 1996. Republic Services, Inc. purchased Richmond Sanitary Service and its subsidiaries, including CSS, in May 2001.

CSS submitted an Application to the County to initiate the Base Year rate review process. For purpose of this review, we used the County's *Rate Setting Process and Methodology Manual for Solid Waste Charges as Applied to Allied Waste Services, Inc. – a division of Republic Services, Inc.* approved by the County Board of Supervisors on May 19, 1998 (Allied Manual). To complete our review, we principally followed Steps 2, 3, 4, 5, and 6 in Chapter II of the County's Allied Manual.

This letter report is organized into seven (7) sections as follows:

- A. Summary
- B. Project Background
- C. Review Findings
- D. Rate Change Discussion
- E. Comparative Refuse Collection Rates.

There are two (2) attachments to this letter report



#### A. Summary

CSS submitted its Application, requesting a 15.25 percent rate increase. Based on our analysis of the Application, we recommend a rate increase of 14.28 percent. This increase would add \$3.90 per month to the current \$27.32 monthly rate for the most common 32-gallon service level (backyard service)



#### **B. Project Background**

The franchise agreement between the County and CSS specifies that CSS is allowed to submit an application for a rate change in a format required by the County. In 1998, the County adopted the Allied Manual. The County directed us to use the Allied Manual for CSS-served area rate setting.

The Allied Manual reflects the County's desire to use the operating ratio method for establishing allowable profit levels in base years. The Allied Manual identifies guidelines for allowable, pass-through, and non-allowable costs. Every four years, during base years, the hauler submits a Base Year Rate Change Application. The Application is reviewed to determine whether a rate change is necessary. Interim years occur during each year between base years, and are triggered if the hauler submits an *Interim Year Rate Change Application*. Interim years follow a more streamlined index-based process.

CSS submitted its Base Year Rate Change Application (Application) to the County on May 27, 2016. In its Application, CSS requested a rate increase of 15.25 percent. Crowe verified completeness of this application, and requested that CSS provide further information and documentation to support the application. A copy of the Application is included as **Exhibit 2-A.** 

We relied on CSS provided un-audited, internally prepared, financial information and operational data for this Base Year rate review. We also had audited consolidated RSS financial statements for 2014. We reviewed CSS financial information, operation data, and cost allocation methods and calculations for reasonableness.

Crockett area rates, and rate changes, for the previous 20 years since 1996, are shown in **Table 1**, below. Crockett rates have remained unchanged since 2009, a period of seven years. As part of the prior 2011 base year rate review, CSS had a surplus which resulted in rates remaining unchanged during the prior 4-year rate setting cycle. This surplus was used to fund expanded collection of recyclables (blue cart) and organics (green cart) in the Crockett area implemented by CSS in 2012 and 2015.

Table 1
Unincorporated Contra Costa County
Residential Collection Rates, Per Customer, per Month
(1996 to 2016)

	Service Level					
Year	20 Gallon <sup>1</sup>	35-Gallon <sup>2</sup>	45- Gallon³	65-Gallon⁴	96-Gallon⁴	Change in Rate
1996	\$16.00	\$20.00	\$27.00			
2001	\$18.34	\$21.74	\$28.74			\$1.74-\$2.34
2002	\$18.73	\$22.20	\$29.34			2.10%
2003-2005	\$19.13	\$22.69	\$29.99	\$39.80	\$48.35	2.20%
2006	\$20.42	\$24.22	\$32.01	\$42.48	\$51.61	6.74%
2007	\$21.19	\$25.13	\$33.21		\$53.55	3.75%
2008	\$21.68	\$25.71	\$33.98	\$45.09	\$54.79	2.31%
2009	\$22.44	\$26.61	\$35.15	\$46.66	\$56.69	3.49%
2010	\$22.44	\$26.61	\$35.15	\$46.66	\$56.69	0.00%
2011-2016	\$22.44	\$26.61	\$35.15	\$46.66	\$56.69	0.00%

<sup>&</sup>lt;sup>1</sup> Represents curbside and backyard service.

Final Report

<sup>&</sup>lt;sup>2</sup> Represents curbside service. The current backyard service rate for 32-gallon service is \$27.32 per month.

<sup>&</sup>lt;sup>3</sup> Represents curbside service. The current backyard service rate for 45-gallon service is \$35.90 per month.

<sup>&</sup>lt;sup>4</sup> Represents curbside service for 65 and 95-gallon levels.

Page 3

Historical trends for the annual changes in the Consumer Price Index (CPI) are shown in **Table 2**, below. The changes in the CPI for the last eleven (11) years, since the 2006 Base Year, have been relatively modest, but recently have been increasing. For the last eleven-year period (i.e., 2006 to 2016), the changes in August-to-August CPI ranged from 0.2 to 4.2 percent, and increased by an average annual compounded rate of 2.6 percent. During this same eleven-year period, actual County rates increased by an average annual compounded rate of 0.9 percent.

Over the twenty (20) years between 1996 and 2016, the 35-gallon monthly residential rate has increased \$6.61, or by 33.1 percent. This is equivalent to \$0.33 per year. Note that most residential customers (78%) subscribe to 35 gallon service (curbside or backyard)

Table 2 Change in Consumer Price Index San Francisco-Oakland-San Jose (All Items, CPI-U) 2006 to 2016

(August-to-August Period)

Year	Percent Change in Index	
2006	3.8	
2007	2.6	
2008	4.2	
2009	0.2	
2010	1.0	
2011	2.9	
2012	2.8	
2013	2.0	
2014	3.0	
2015	3.6	
2016	3.1	
Average annual compounded rate of change – 11 years	2.6	

The scope of work for this review included the following six (6) tasks:

- 1. Verify the completeness of CSS's rate change application
- 2. Review the rate change application and prepare responses
- 3. Survey rates in similar service areas
- 4. Prepare a draft report
- 5. Prepare a final report
- 6. Participate in one Board of Supervisors meeting.





Page 4

#### C. Review Findings

Most Crockett area costs are consolidated with costs from the other divisions of Richmond Sanitary Service, Inc. and the consolidated financial statements are subject to routine audits.<sup>5</sup> CSS provided actual consolidated costs for 2015. CSS also provided its cost allocation method, and calculations used to determine Crockett area costs. CSS used a route hour method to allocate costs from the consolidated level to Crockett areas.

CSS' cost allocation calculations were based on factors including drive bys per hour and lifts per hour. CSS then determined the percent of total hours spent serving Crockett areas, and allocated consolidated costs to Crockett areas based on this route-hour percentage. We found this cost allocation method acceptable and consistent with industry norms. Republic Services allocated 24.20 percent of consolidated costs to Crockett. This percentage is consistent with the allocation percentage used by Republic in the prior CSS base year.

We reviewed CSS's historical revenues and costs to understand the basis for the rate decrease identified by CSS in its Application. We determined that the need for a rate increase, for this year, resulted from three (3) primary components:

- Increases in tipping fee costs Total tipping fee costs increased in 2015 (13.1%) and 2016 (12.2%) resulting from increases in both the municipal solid waste, greenwaste, and concrete/wood/bulk tipping fee rates (approximately four (4) percent per year) as well as double digit increases in total overall disposal tonnages. Significant drivers for the increases in tonnage were the 2012 shift from monthly to bi-monthly greenwaste collection and the March 2015 shift from bi-monthly to weekly greenwaste collection in the Crockett area.
- Increases in labor costs These costs are associated with increases in union labor wage rates and benefits specified in *Teamsters Local 315* union agreements.
- Container repairs. CSS made some investments in container repairs in 2015 and 2016.

**Table 3,** on the following page, summarizes six (6) adjustments from our review of CSS's 2017 Base Year Application. Our adjustments reduce the revenue requirement by \$5,659. With these adjustments, CSS will operate at a shortfall of \$83,532.

One of the adjustments (-\$12,376) was for profit allowed on tipping fees. We set tipping fees with profit at \$45.00 per ton and treated amounts over \$45.00 per ton as a pass-through expense, consistent with treatment in the last two Crockett area base year rate reviews.

Another adjustment (-\$1,786) was for allowable operating profit. Because CSS is projected to earn an actual operating ratio outside the 88 to 92 percent operating ratio range specified in the Allied Manual, we reset the allowable Base Year operating ratio to the 90 percent target operating ratio.<sup>6</sup>

We also noted that the company uses a relatively large overtime levels to serve Crockett areas. We inquired about this observation and CSS indicated that this resulted from the company rerouting the area in 2015 to reflect longer routes. Further, due to difficulty in maintaining driver headcount CSS uses a 10 hour workday to accommodate these longer routes.

We also verified that the general and administrative expenses fell within a reasonable levels (11%) when viewed as a percent of the total revenue requirement for the company.

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<sup>&</sup>lt;sup>5</sup> Since July 2008, most Crockett costs are allocated from Richmond Sanitary Republic Services' combined costs of serving the Berkeley (commercial), Crockett, and Rodeo areas. The cost of preparing audited financial statements solely for CSS would be a significant allowable expense for rate setting purpose if arranged by the Contractor, which would potentially warrant a substantive rate increase due to the limited customer base available in the franchise area to spread said cost.

<sup>&</sup>lt;sup>6</sup> The operating ratio (OR) is defined as total allowable costs divided by the sum of total allowable costs plus total allowable operating profits.



Table 3
Contra Costa County
Adjustments to CSS Base Year Rate Change Application

Description of Adjustment	Net Adjustment to Revenue Requirement	Rationale	
1. Adjustment of tipping fees (with profit) from \$50 per ton to \$45 per ton	-\$12,376	This treatment in consistent with the previous 2006 CSS base year review.	
2. Used two-year average of trucking and equipment (based on 2015 and 2016 costs)	-\$3,703	Smooth 2017 projection that would otherwise include a larger one-time bin repair cost continuously over the 4-year period.	
3. Adjustment in Allowable Operating Profit	-\$1,786	Based on the Allied Manual allowable operating ratio of 90 percent applied to total allowable costs.	
4. Adjustment of tipping fees (pass-through) because of the adjustment of tipping fee (with profit) from \$50 per ton to \$45 per ton	+\$12,376	This treatment in consistent with the previous CSS base year reviews and other County regulated areas.	
5. Decrease in franchise fee payments to County	-\$170	Minor adjustment to reflect reduction in revenue requirement for #1 through 4 above.	
6. Shifted \$62,577 of residential revenues to commercial revenues	No change	This revenue was incorrectly classified as residential revenue in the Application.	
Total Adjustments	-\$5,659		

#### D. Rate Change Discussion

With the adjustments identified in Section C, we calculated that the County would need to increase Crockett area residential, commercial, and light industrial (debris box) rates by 14.28 percent to meet the current CSS revenue requirement. This 14.28 percent increase is equivalent to an \$83,532 shortfall for 2017. This is a reduction of 0.97 percent from the company's request for a 15.25 percent rate increase. Resulting residential rates, with the 14.28 percent increase, are summarized in **Table 4**, below.



Table 4
Contra Costa County
Crockett Service Area
Year 2017 Refuse Collection Rates
(Current, and Recommended 14.28 Percent Rate Increase)

Service	Current Rate (per Customer, Per Month)	Increase In Rate	Recommended Rate
Curbside			
20-gallon*	\$22.44	\$3.20	\$25.64
35-gallon	\$26.61	\$3.80	\$30.41
45-gallon	\$35.15	\$5.02	\$40.17
65-gallon	\$46.66	\$6.66	\$53.32
95-gallon	\$56.69	\$8.10	\$64.79
Backyard			
32-gallon	\$27.32	\$3.90	\$31.22
45-gallon	\$35.90	\$5.13	\$41.03

<sup>\*</sup> Same rate for 20-gallon Backyard.

#### E. Comparative Refuse Collection Rates

Results of the comparative rate survey are provided in **Exhibit 2-B.** Two surveyed residential, commercial, industrial rates of ten (10) neighboring non-County franchise areas, including:

1. City of Albany

2. City of Berkeley

3. City of El Cerrito

4. City of Hercules

5. Kensington

6. City of Oakland

7. City of Pinole

8. City of Richmond

9. Rodeo

10. City of San Pablo

As shown in Exhibit 2-B, current Crockett area residential rates are 25 to 38 percent below average rates for all container sizes in neighboring non-County franchise areas. With the proposed 14.28% increase recommended to take effect on 4/1/2017, the Crockett area residential rates would range between about 15 to 29 percent below average rates charged in non-County franchise areas. Compared to other unincorporated areas franchised by the County directly or indirectly (joint powers authority or JPA, current Crockett area residential rates are 2 to 8 percent below average except for the 65-gallon cart which is 4 percent above average. With the proposed 14.28% increase recommended to take effect on 4/1/2017, the Crockett area residential rates would range between about 4 to 11 percent above average.

Current Crockett area commercial bin rates are significantly below average. For all the nearby areas served under other franchises shown in Exhibit 2-B, current Crockett area commercial rates (2-yard bin) are below the comparative average rates in neighboring non-County franchise areas, ranging from 54 to 65 percent below the average. Compared to other unincorporated areas franchised by the County or JPA, current Crockett area commercial rates are 43 to 53 percent below average.



Page 7

Exhibit 2-A 2016 Rate Application for 2017 Base Year



Page 8

**Exhibit 2-A** includes the 2016 Base Year Rate Change Application (Application) submitted by CSS to the County on May 27, 2016. In the Application, CSS proposed to increase unincorporated County collection rates by 15.25 percent in 2017. The Application included the following forms:

- Financial information
- Cost summary for year 2015
- Revenue summary
- Single family residential revenues summary (including current rates and accounts)
- Operating information
- Rate change requested (including current and proposed rates).

Information provided in the Application was for the following five (5) years:

- Actual prior years, 2013 to 2015
- Current year estimated, 2016
- Base year projected, 2017.

Page 1 of 6



Year: 2016

#### Ms. Deidra Dingman, Conservation Programs Manager November 23, 2016

# Contra Costa County (Crockett) Base Year Rate Change Application Financial Information Direct Labor Direct Lator Tipping Fees (Profit Allowed) Corporate and Local General and Administrative Costs Depreciation and Other Operating Costs Services Provided to County Trucking and Equipment Total Allowable Costs (Lines 1+2+3+4+5+6) Operating Ratio Allowable Operating Profit [(Line 7 / 0.9)-Line 7] 10. County Administrative Fee 11. Tipping Fees (Pass Through) 12. Trucking and Equipment (Equipment Rental) 13. Total Pass Through Costs (without Franchise Fees) (Lines 8+9) 14. Total Allowable Costs (Line 7) plus Allowable Operating Profit (Line 9) plus Total Pass Through Costs (without Franchise Fees) (Line 13) 16. Adjusted Revenue Requirement (without Franchise Fees) (line 14-15) Section V -- Revenues without Rate Change in Base Year 17. Residential Revenues Less Allowance for Uncollectible Residential Accounts Total Residential Revenues (without Rate Change in Base Year) Commercial and Light Industrial Revenues Less Allowance for uncollectable Commercial and Light Industrial Accounts Total Commercial/Light Industrial Revenues (without Rate Change in Base Year) 23. Recycled Material Sales (N/A if Use IRRF) 24. Total Revenues (Lines 19+22+23) 25. Net Shortfall (Surplus) without Franchise Fees (Lines 16-Line 24) 26. Residential / Commercial / Light Industrial Franchise Fees (see calculation below) 27. Net Shortfall (Surplus) with Franchise Fees (Lines 25+26) 28. Contribution From/(To) Rate Stabilization Fund 29. Adjusted Net Shortfall (Surplus) with Franchise Fees (Lines 27+28) Section VII – Percent Change in Rates 30. Total Commercial / Light Industrial Revenues Prior to Rate Change (Lines 19+22) 31. Percent Change in Existing Residential / Commercial / Light Industrial Rates (Line 29 / Line 30) Franchise Fee Calculation anchise fees are set by the County at a percent of the revenue requirement 32. Total Allowable Costs (Line 7) alculate leas are sury the County at a plecial in the revenue requirement, over for two equations with one unknown, and identify franchise fees as X >> Equation 1) Revenue Requirement x Franchise Fee % = X Equation 2) Revenue Requirement = Line 13 + X, or \$ + 3 Allowable Operating Profits (Line 9) Pass Through Costs with Franchise Fees (Line 13+26) Revenue Requirement ubstitute equation 2) into equation 1) and solve for X => (\$\_\_\_\_\_



Labo Labo Bene Payro 33. Total	Description of Cost  r - Regular r - Overtime fits oll Taxes Direct Labor Tipping Fees (Profit Allowed)		2015 Crockett 125,390 23,474	Allocation Base(s)
Labo Labo Bene Payro 33. Total 34. Total	Pescription of Cost r - Regular r - Overtime fits bil Taxes Direct Labor	\$	2015 Crockett 125,390	Base(s)
Labo Labo Bene Payro 33. Total 34. Total	r - Regular r - Overtime fits oll Taxes Direct Labor	\$	125,390	Base(s)
Labo Labo Bene Payro 33. Total 34. Total	r - Regular r - Overtime fits oll Taxes Direct Labor	\$	125,390	
Labo Bene Payro 33. Total 34. Total	r - Overtime fits oll Taxes Direct Labor			
Bene Payro 33. Total 34. Total	fits JI Taxes Direct Labor	e		Labor Hours
33. Total 34. Total	Direct Labor	0	44,241	Labor Hours
34. Total		· ·	9,337	Labor Hours
	Tipping Fees (Profit Allowed)	ψ	202,442	
		\$	110,263	Actual Tons
Bank	Fees	\$	6,684	Accounts
	s Pay Corporate	\$	-	Accounts
Colle	ction Fees	\$	409	Accounts
	puter Services		448	Accounts
	ulting and Professional Fees		330	Direct
Dues	and Subscriptions	<u> </u>	30,899	Accounts Accounts
	dry and Uniforms	-	1,516	Accounts
	agement Fees/Corproate Overhead	-	34,679	Accounts
	ellaneous and Other		155	Accounts
Office	e Expenses		43	Accounts
Office	e Repair and Maintenance		-	Accounts
	ource Billing		-	Accounts
Posta	•		99	Accounts
	c Relations and Promotion		168	Accounts
	cation and Recruiting s and Marketing Misc.		- 542	Accounts Accounts
	s and Licenses	-	592	Accounts
	phone		1.381	Accounts
Trave			- 1	Accounts
Utiliti	es		7,894	Accounts
35. Total	Corporate and Local General and Administrative Costs	\$	85,839	
Done	ocietian Buildings			
	eciation-Buildings eciation-Office Furniture and Equipment	\$		Accounts
	eciation-Vehicles	-	<del> +</del>	Direct
	eciation-Containers		-	Direct
	eciation-Equipment		-	Direct
Othe	r Operating Costs		1,433	Accounts
36. Total	Depreciation and Other Operating Costs	\$	1,433	
37. Total	Services Provided to County	\$	-	Direct
38. Total	Allowable Costs (Lines 33+34+35+36+37)	\$	399,977	
	County Administration Fee			
	•	<u> </u>	EC 004 I	Di
	oment Rental and Oil	\$	50,884 24,849	Direct Accounts
Parts			8,986	Accounts
	ir and Maintenance		1,342	Accounts
Tires			6,095	Accounts
Othe	r		19,906	Accounts
10. Total	Trucking and Equipment	\$	112,064	
11. Total	Tipping Fees (Pass Through)	\$	59,343	Actual Tons
#2. Total	Residential/Commercial/Light Industrial Franchise Fees	\$	20,281	Direct
13. Total	Pass Through Costs (Lines 39+40+41+42)	\$	191,687	
14. Total	Costs (Lines 38+43)	\$	591,665	



Con	ra Costa County (Crockett)										
	Base Year Rate	Chang	je Applica	tion							
Reve	nues Summary										
			Section	IX I	Revenues						
					Actual				Estimated		jected
		$\vdash$	Year 1	His	torical Years Year 2	<u> </u>	Year 3	С	urrent Year Year 4		e Year ear 5
		$\vdash$	2013		2014	$\vdash$	2015		2016		9017
	Single Family Residential Services								"		
43.	Single Family Residential Revenues	\$	566,873	\$	557,873	\$	550,745	\$	550,764	\$	550,764
	Multiunit Residential Services										
	Number of Accounts					Ĺ		Ļ			
45.	Multiunit Residential Revenues	\$	-	\$		\$		\$		\$	
46.	Residential Revenues (w/o Allowable for Uncollectible Accounts) (Lines 43+45)	\$	566,873	\$	557,873	\$	550,745	\$	550,764	\$	550,764
47.	Allowance for Uncollectible Residential Accounts	\$	3,968	\$	3,905	\$	3,855	\$	3,855	\$	3,855
48.	Total Residential Revenues (Line 46 - Line 47)	\$	562,905	\$	553,968	\$	546,889	\$	546,908	\$	546,908
	Commercial and Light Industrial Can Services										
49.	Number of Accounts										
50.	Commercial and Light Industrial Can Revenues	\$	-	\$	-	\$	-	\$		\$	-
	Commercial and Light Industrial Bin Services	_									
	Number of Accounts					_		Ļ		•	
52.	Commercial and Light Industrial Bin Revenues	\$		\$		\$		\$		\$	
	Commercial and Light Industrial Drop Box Services	_									
	Number of Accounts	\$	22,668	_	9 42,471		32,779	_	6	s	20 244
54.	Commercial and Light Industrial Drop Box Revenues	\$	22,668	\$	42,471	٥	32,779	5	38,241	۵	38,241
55.	Commercial and Light Industrial Revenues (w/o Allowance for	_							,		
	Uncollectible Accounts) (Lines 50+52+54)	\$	22,668	\$	42,471	\$	32,779	\$	38,241	\$	38,241
56.	Allowance for Uncollectible Commercial and Light Industrial Accounts	\$	159	\$	297	\$	229	\$	268	\$	268
57.	Total Commercial and Light Industrial Revenues (Line 55 - Line 56)	\$	22,510	\$	42,174	\$	32,550	\$	37,974	\$	37,974
58.	Recycled Material Sales	\$	11,702	\$	11,419	\$	21,154	\$	18,213	\$	18,213
59.	Total Revenues (Lines 48+57+58)	\$	597,117	\$	607,560	\$	600,593	\$	603,095	\$	603,095

Year: Page 3 of 6

Ms. Deidra Dingman, Conservation Programs Manager



November 23, 2016

ontra Costa County (Crockett)			
Base Year Rate Ch	ange Application		
ngle Family Residential Revenues Summary			
Section X Sir	ngle Family Residential Revenues	s and Customer Counts	
Single Family Residential Revenues (w/o Rate Change in Base Year)			2017 Base Year Revenues
Residential-Back Yard 35 Gallon Container 45 Gallon Container 65 Gallon Container 95 Gallon Container 20 Gallon Mini-Can	Current Rate/Month 27.32 35.90 46.66 56.69 22.44	Projected	Total <sup>37</sup> 273,08 5,17 74,44 14,98 34,18
Residential-Curbside 35 Gallon Container 45 Gallon Container	Current Rate/Month 26.61 35.15	Projected Accounts 265	Total <sup>87</sup> 84,62 3,79
Total Base Year Single Family Residential Revenues		1,401	\$ 490,3

Year: Page 4 of 6

<sup>&</sup>lt;sup>a/</sup> Equal to the current rate per month multiplied by 12 multiplied by the projected number of accounts.



Conf	tra Costa County (Crockett)										
				Base \	∕ear Rat∉	e Change A	pplication				
Оре	erating Information										
			$\overline{}$			Т	Current Year		Base Year		Base Year
			torical	Percent	Historical	Percent	Estimated	Percent	Projected	Percent	Projected
			rmation	Change	Information		Information		Information	Change	Information
			ear 1 2013	Year 1 to 2	Year 2 2014	Year 2 to 3	Year 3 2015	Year 3 to 4	Year 4 2016	Year 4 to 5	Year 5 2017
			J13 1		2014		2010		2016		2017
—						Section	on XI Operati	ing Data			
	Accounts										
	Residential		1,296	-0.08%	1,29	95 0.15%	6 1,297	7 -0.46%	1,291	0.00%	1.2
	Commercial	$\vdash$	20	35.00%		27 -11.11%					
	Light Industrial	$\vdash$	5	80.00%		9 -55.56%		4 50.00%			
	Total Accounts		1,321	0.76%							
	Waste Tonnage										
	Residential		1,200	2.51%	1,23	6.13%	6 1,305	5 2.10%	1,333	0.00%	1,3
			333	-0.20%	33						
67.	Commercial		11	-0.70%		11 -26.93%	á é	8 -2.04%	. 8	0.00%	
68.	Light Industrial		43	-38.36%		-15.04%					5
69.	Total Tonnage		1,588	0.80%	1,60	18.40%	6 1,895	8.40%	2,054	0.00%	
	Recyclable Tonnage										
	Residential		359	6.01%	38	39.01%	6 529	9 13.07%	598	0.00%	5
71.	Commercial			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!	
72.	Light Industrial		93	0		88 0					
73.	Total Tonnage		452	3.59%	46	35.83%	636	6 11.20%	708	0.00%	7
	County Services										
74.	County Bins		70	0.00%		70 0.00%	6 70	0.00%	70	0.00%	
75.	County Drop Boxes			#DIV/01		#DIV/0I		#DIV/01		#DIV/01	
_						Section XII	Change in Co	mmercial Rates			
76	1 Yard Bin Once per Week	5	121.15	0.00%	S 121.15	5 0.00%	6 \$ 121.15	5 0.00%	S 121.15	0.00%	S 121.1
	2 Yard Bin Once per Week	_	162.74	0.00%	162.74					0.00%	-
	20 Yard Debris Box per Pick Up		343.13	0.00%							

Year: Page 5 of 6



		Base Year Rate Change	Application		
corporated Area: <u>All</u>	'Areas				
		Rate Change			
Data Charana					45 OF 0/1
. Rate Change R	equested			<u>L</u>	15.25%
		Rate Schedule			
					New
					1464
_		Current Rate	New Rate, Before	A.P. 1. 1.7.5	ъ.
	Rate schedule	(w/o IRRF)	Adjustment	Adjustment (a)	Rate
Residential-Bac	k Yard				
35 Gallon Conta		\$ 27.32		0.01	31.50
45 Gallon Conta		\$ 35.90		(0.02)	41.35
65 Gallon Conta 95 Gallon Conta		46.66 56.69	53.78 65.33	0.02	53.80 65.35
20 Gallon Mini-		22.44		(0.01)	25.85
				(3.3.7)	
Residential-Curl			00.001	(0.00)	00.05.1
35 Gallon Conta 45 Gallon Conta		\$ 26.61 35.15		(0.02)	30.65 40.50
					,
. Multiunit Reside	ential	Rate increase of to all rates in ear the nearest \$0.0	h structure with each	will be applied n rate rounded up or d	own to
2. Multiunit Reside		to all rates in eac the nearest \$0.0 Certificate	h structure with each		own to
To the best of n	ential ny knowledge, the data and inform the instructions provided by Contri	to all rates in each the nearest \$0.0 Certificate nation in this application is compl	h structure with each		own to
To the best of n	ny knowledge, the data and inform	to all rates in each the nearest \$0.0 Certificate nation in this application is compl	h structure with each		own to
To the best of n	ny knowledge, the data and inform the instructions provided by Contr	to all rates in each the nearest \$0.0  Certificate thation in this application is compliance to control to the control of the	th structure with each 5.		own to



Page 15

Exhibit 2-B Comparative Rate Survey

Page 16

**Tables B-1** through **B-2** that follow include results of a survey of comparative residential and commercial rates. We provide comparisons between CSS's Crockett area rates and the rates charged to customers served in the following other neighboring unincorporated and incorporated areas:

#### Incorporated or Unincorporated\* areas franchised by other agencies

- Albany
- Berkeley
- El Cerrito
- Hercules
- Kensington\* (Franchise governed by Community Services District)
- Oakland
- Pinole
- Richmond
- Rodeo\* (Franchise governed by Sanitary District)
- San Pablo

## Unincorporated areas franchised by the County or authorized joint powers authority (JPA)

- Alamo & Unincorporated Central CCC (JPA Central Contra Costa Solid Waste Authority)
- Garaventa served areas Central/East CCC (County)
- Allied Waste (Republic) served areas Central/East CCC (County)
- Richmond Sanitary Service (Republic) served areas West CCC (County).



Table B-1
Comparison of 2016 Crockett Area Residential Rates with
Neighboring Jurisdictions/Service Areas (Per Customer, Per Month)

	Residential Rates					
Non-County Franchise Jurisdiction	20 Gallon	32 Gallon	64 Gallon	96 Gallon		
1. Albany	\$36.72	\$41.13	\$71.08	\$101.02		
2. Berkeley	24.50	39.19	78.33	117.45		
3. El Cerrito	32.40	43.00	86.40	-		
4. Hercules	29.47	34.60	61.01	88.21		
5. Kensington*	38.96	42.96	-	-		
6. Oakland	35.52	40.60	73.16	110.96		
7. Pinole	27.94	33.11	58.91	85.50		
8. Richmond	27.42	33.32	63.39	94.32		
9. Rodeo*	24.52	26.31	32.09	44.12		
10. San Pablo	23.69	28.84	55.59	83.86		
Average: Non-County Franchises	\$30.11	\$36.31	\$64.44	\$90.68		
Crockett rates – Curbside: Existing (2016)	\$22.44	\$27.32	\$46.66	\$56.69		
Difference: 2016	-25.5%	-24.8%	-27.6%	-37.5%		
Crockett rates – Curbside: Base Year (2017)	\$25.64	\$30.41	\$53.32	\$64.79		
Difference: 2017	-14.8%	-16.2%	-17.3%	-28.6%		
Unincorporated County Areas						
Alamo & Uninc Central CCC (CCCSWA)	\$20.80	\$23.62	\$44.97	\$67.47		
2. Garaventa Served Areas (County)	29.25	36.50	42.34	50.37		
3. AWS (Republic) – Cent/East CCC (County)	16.07	21.04	31.36	40.68		
4. Richmond Sanitary – West CCC (County)	25.81	31.56	60.44	90.04		
Average: County/JPA Franchises	\$23.09	\$29.70	\$45.00	\$62.48		
Crockett rates – Curbside: Existing (2016)	\$22.44	\$27.32	\$46.66	\$56.69		
Difference: 2016	-2.4%	-3.1%	4.2%	-8.8%		
Crockett rates – Curbside: Base Year (2017)	\$25.64	\$30.41	\$53.32	\$64.79		
Difference: 2017	11.1%	5.1%	18.5%	3.7%		

<sup>\*</sup> Unincorporated areas served pursuant to franchise agreements governed by other agencies without County involvement.



Table B-2 Comparison of 2016 Crockett Area Commercial Rates with Neighboring Jurisdictions/Service Areas (Per Customer, Per Month)

Jurisdiction	2 cu. yd. 1/week	2 cu. yd. 2/week
1. Albany	\$327.74	\$655.48
2. Berkeley	263.71	553.76
3. El Cerrito	559.51	1,071.01
4. Hercules	413.93	756.98
5. Kensington*	384.50	768.00
6. Oakland	345.74	691.48
7. Pinole	415.06	762.92
8. Richmond	365.40	679.95
9. Rodeo*	170.56	341.09
10. San Pablo	366.69	672.78
Average: Non-County Franchises	\$361.28	\$695.35
Crockett rates: Existing (2016)	\$162.74	\$245.88
Difference	-55%	-65%
Unincorporated County Areas		
1. Alamo & Uninc Central CCC (CCCSWA)	\$284.04	\$568.05
2. Garaventa Served Areas (County)	300.53	419.77
3. AWS (Republic) - Cent/East CCC (County)	210.80	489.71
4. Richmond Sanitary – West CCC (County)	344.51	630.36
Average: County/JPA Franchises	\$284.97	\$526.97
Crockett rates: Existing (2016)	\$162.74	\$245.88
Difference	-43%	-53%

<sup>\*</sup> Unincorporated areas served pursuant to franchise agreements governed by other agencies without County involvement.

SLAI OF

Contra Costa County

To: Board of Supervisors

From: FAMILY & HUMAN SERVICES COMMITTEE

Date: February 14, 2017

Subject: F&HS Referral No. 114 - Impact of Technology on Access to Public Benefits

#### **RECOMMENDATION(S):**

CONSIDER accepting the report from the Employment and Human Services Department regarding the impacts of technology on client access to public benefits.

#### **FISCAL IMPACT:**

There are no fiscal impacts.

## **BACKGROUND:**

On June 7, 2016, the Board of Supervisors approved the Employment and Human Services Director's recommendation to refer oversight on the impacts of technology on access to public benefits to the Family and Human Services Committee (F&HS), due to the department's reworking of its business processes and development of technologies to make remote access of public benefits more common for its clients. This became F&HS Referral No. 114.

On November 14, 2017, the department provided the first report to F&HS on this referral. F&HS approved being forwarded to the full Board for a future date, as a discussion item.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b> Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Enid Mendoza, (925) 335-1039	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

## **CONSEQUENCE OF NEGATIVE ACTION:**

The Board will not receive an update on the technology projects the Employment and Human Services Department is working on to better support clients in benefit programs.

## **CHILDREN'S IMPACT STATEMENT:**

## **ATTACHMENTS**

EHSD Report to F&HS on Technology Projects



#### MEMORAN DUM

Kathy Gallagher, Director

40 Douglas Drive, Martinez, CA 94553 • (925) 313-1500 • Fax (925) 313-1575 • www.ehsd.org

**To:** Family and Human Services Committee **Date:** November 14, 2017

**From:** Employment and Human Services Department

**Subject:** #114 Impact of Technology on Access to Public Benefits

The Employment and Human Services Department (EHSD) is pleased to provide this update to the Family and Human Services Committee (FHS) on the use of technology and our technology vision for the department. We continue to press forward with new applications of technology that support our customers and staff.

#### STATE AND DEPARTMENT-WIDE SYSTEMS

EHSD uses multiple state mandated and managed systems to carry out its core functions.

- Contra Costa County is one of 18 counties in the California Work Opportunity and Responsibility to
  Kids Information Network (CalWIN) Consortium. CalWIN is an automated eligibility system that
  supports the administration of public assistance programs including CalWORKs, CalFresh, Medi-Cal,
  General Assistance, Foster Care and case management for Employment Services.
- We also use the Child Welfare Services/Case Management System (CWS/CMS) to support child welfare services.
- The Medi-Cal Eligibility Data System (MEDS) is a data system for maintaining eligibility information for public assistance programs including Medi-Cal.
- Our In-Home Supportive Services (IHSS) is managed through the Case Management Information and Payrolling System II (CMIPS II), a statewide database which supports and centrally processes payroll as well as assisting with case management and reports.
- Electronic Benefit Transfer (EBT) is a state debit card similar to an ATM card that is used to issue CalFresh and cash aid benefits for CalWORKs and General Assistance. This system interfaces with CalWIN.
- The newest statewide system is the California Health Eligibility, Enrollment, and Retention System (CalHEERS), a business rules engine to determine eligibility for coverage under the Affordable Care Act (ADA).

While not a state mandated system, EHSD is "paperless" for its public assistance program case records through the use of a document imaging and management system called Compass Pilot. The use of this system allows desktop access to case information and customer data for any EHSD staff with a need to access the data. EHSD has also used its internal technology staff to develop a number of applications to assist staff and to carry out our work more efficiently.

#### TECHNOLOGY IS IN THE CULTURE OF EHSD

The EHSD has a long tradition of using technology to carry out its business, whether with state systems or inhouse developed applications. A strong contributor to this culture has been the need for staff in the department to be able to access case information from any location. This led EHSD to reduce reliance on paper records and move to electronic case records over 11 years ago. To ensure that our use of technology keeps pace with the needs of our staff and customers, the department assembled a Program Technology Advisory Committee that includes the director, all members of the department's Executive Team and key technology staff. This committee meets monthly to assess the state of technology within the department and set technology priorities for the department.

The use of technology fully supports the EHSD Vision, Mission and Values. The department is currently developing its long range technology vision that states: "EHSD technology is the leader in agile technology capabilities, interoperability and information sharing for empowering customers, staff and partners to achieve a healthy, safe, secure and self-sufficient community." Our technology goals over the next 3-5 years will focus on strategies that include:

- Customer facing technology
- Customer support using technology
- Productivity enhancements
- Pursuing innovation and ideas for internal and external customer service including processes for bringing ideas forward

We have an initiative underway to include our customers in our deliberations about the use of technology that they believe will be beneficial. A number of our customers participate in our job search program and part of their experience is to work at a personal computer to prepare resumes and send them to prospective employers. We ask them to complete a survey on how they are currently using their personal technology, e.g., smart phones, and to tell us what additional items they believe would be beneficial uses of technology. As a result of this survey, we know that across the county, approximately three-fourths of our customers have smart phones and would like to be able to get updates on case status and text messages as reminders of appointments and items that are due. Our customers want additional ways to communicate with us electronically including the use of email. We also know that over half our customers have access to technology including personal computers and are very comfortable with using technology. We continue to gather input from this survey but we are using the information we have already gained to inform our thinking on future directions.

#### **INITIATIVES UNDERWAY OR PLANNED**

There was a recent management evaluation conducted by the California Department of Social Services focusing on our CalFresh program. The evaluators are experienced state staff that travel to counties throughout the state and visit many social services offices. The evaluation team visited three EHSD customer service offices to observe our processes in real-time and to see what our customers experience. At the conclusion of their evaluation, and based on their observations, they were extremely complimentary about the technology that is available to our customers. They stated that they sometimes see one or two pieces of technology in a typical customer reception area but not the extent of technology to directly serve customers that they saw in the EHSD reception areas.

As customers come into the reception area they are greeted, and if needed, directed to a check-in kiosk. If they have an appointment or need to see a worker the kiosk produces a ticket which allows the customer to be called for the appointment or obtain service in order of arrival. There are large screen monitors that are visible throughout the reception area that show the number of the customers being seen. These monitors also provide useful information to customers to inform them of services or upcoming events. If they need to speak to their worker by phone there is a bank of phones with privacy protection to facilitate the calls. If they are bringing in documents we provide a self-scanning kiosk so they can scan their documents and not wait to see someone to

drop them off. There is also a physical drop box for documents if the customer prefers that method. We provide personal computers that allow customers to apply for services on-line from our reception area and as part of this service we provide scanners, printers and a copy machine. Customers can sign documents electronically.

For more than a year we have been asking customers if they want to be notified of appointments and due dates by text messages. Currently customers receiving CalWORKs and CalFresh benefits can receive text messages. We have over 14,000 customers that have opted-in to receive text messages and we are adding over 800 a month. We are moving to an "opt-out" process that will allow us to reach many more customers and we are looking at other program areas such as MediCal, Children's Services and In-Home Supportive Services for expansion of text messaging. The effective use of text messaging is a great service and is effective in helping our customers with the continuity of their benefits.

The Board of Supervisors fully supported the state legislation that allows Social Services agencies to donate surplus personal computers to citizens in good standing in benefits programs. EHSD has an agreement with a nonprofit organization to refurbish surplus computers and make the computers, along with an Internet connection, training and support available to our customers. To date over 50 families have used this program and we have over 150 additional customers that will receive computers by the end of 2016. We are taking steps to do additional publicity for this program and expect to see increased activity. This program can be instrumental in helping low income residents of Contra Costa County bridge the digital divide, help children with school work, apply for jobs, and get medical information.

As part of the CalWIN Consortium, our customers have access to My Benefits CalWIN (MyBCW). Through the MyBCW website customers can get information on assistance programs, apply for benefits, complete periodic reporting, find a social services office in their area, and check on their current benefits from wherever they are at any time. Access to MyBCW is also available through the EHSD website and we continue to publicize its availability.

EHSD works closely with Health Services, the Food Bank and other community based organizations on their efforts to use MyBCW to assist citizens to apply for benefits. These organizations provide additional portals that allow for applications to be submitted from additional locations within the county.

We recently opened a centralized mail unit where documents are received in a central location and scanned into the electronic records system so they are immediately available to all workers needing access. This allows for faster case processing and for customers to track the progress of their cases.

We know from our data collection, that approximately one-third of the people coming into our reception areas are there only to drop off documents. EHSD recently added Self-Scanning Kiosks (SSK) to our reception areas. This allows a customer to scan their own documents and avoid having to wait if all they need to do is drop off documents. The SSK have greatly enhanced customer service and the acceptance of the scanners by customers continues to rise every month. We also provide a physical drop box for customers preferring that method. To ensure customers do not have to leave an original document we provide a copy machine in the reception area for customer use.

We are finishing the implementation of our Workload Distribution Tool (WDT). This software allows us to collect, distribute, and track workload in our major programs. This software allows workers and managers to see and manage work more efficiently and effectively to meet processing timelines and provide data in near real time.

We are completing the first phase of an initiative to allow our customers to complete their periodic recertification interviews using video conferencing from an EHSD office. We offer this in English and Spanish and provide a touch screen monitor for ease of use. Customers can easily sign documents right on the computer screen. We are now moving this service out to all our offices and will soon provide for customers to video

conference from anywhere including their homes. We are also working with the contractor that provides translation services to offer translation via video conferencing, including American Sign Language for non-English speakers.

Our In-Home Supportive Services care providers can use an Interactive Voice Response (IVR) system to check on the status of their pay. While the state processes payments for the care providers, the county works directly with the care providers on any questions. The IVR allows care providers to obtain information from any phone at any time.

EHSD has a goal of being a data driven organization and having immediate access to data from the programs we administer is critical. Our managers and supervisors need program performance information to facilitate decision making and enhance our ability to provide superior customer service. We are currently working on two tracks to provide quick access to information described collectively as Business Intelligence (BI). The two tracks include: i) EHSD has partnered with Santa Clara County Social Services to piggyback on their in-house custom solution. This gives us access to the information in EHSD's systems of record (CalWIN, CMIPS II, CWS/CMS) quickly and easily without the need to develop our own in-house BI or engage our Technology staff in designing custom reports; ii) EHSD, through our participation in the CalWIN consortium, has partnered with other CalWIN counties to support the CalWIN BI initiative. The migration of data into Santa Clara BI process is nearing completion and the CalWIN BI process is in testing. When these systems are fully on line, our directors, managers and supervisors can quickly answer questions about who our clients are, e.g., where they live, demographics, case status, and trending and forecasting, and overall program compliance. The programs supported include, IHSS, Medi-Cal, CalFresh, General Assistance, CalWORKs and Child Welfare.

EHSD is updating and replacing a number of internal programs to assist with timekeeping, position management and tracking, a personnel management data base, fiscal management and retrieval of policies, regulations and reference materials.

Our department is committed to making effective use of technology to provide our customers with a good experience and to assist our staff in carrying out their important work. We actively pursue new or better uses of technology that have been proven to work. Based on feedback from them, we continue to work toward providing multiple portals for our customers to apply for and receive benefits under the programs we administer to substantially reduce the need to come into one of our offices.

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Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: AUTHORIZE ISSUANCE OF LEASE REVENUE BONDS, 2017 SERIES A

#### **RECOMMENDATION(S):**

- 1. OPEN PUBLIC HEARING, pursuant to Section 6586.5 of the Government Code, to consider adopting Resolution No. 2017/57, approving the issuance by the Contra Costa Public Financing Authority of Lease Revenue Bonds, 2017 Series A, in a principal amount not to exceed \$105,000,000 to finance various capital projects and a refunding of outstanding bonds for savings;
- 2. RECEIVE Public testimony;
- 3. CLOSE Public Hearing;
- 4. ACKNOWLEDGE and reaffirm previous approvals of projects

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Timothy Ewell, 925-335-1036	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	Rv. Danuty

cc: Hon. Robert R. Campbell, Auditor-Controller, Hon. Russell V. Watts, Treasurer-Tax Collector, Rebecca Hooley, Deputy County Counsel, Diana Oyler, Public Works Department

#### RECOMMENDATION(S): (CONT'D)

- 5. ADOPT Resolution No. 2017/57, approving the issuance by the Contra Costa Public Financing Authority of Lease Revenue Bonds, 2017 Series A, in a principal amount not to exceed \$105,000,000 to finance various capital projects and a refunding of outstanding bonds for savings
- 6. APPROVE and AUTHORIZE the forms of and directing the execution and delivery of a Trust Agreement, Site Lease, Facilities Lease, a Continuing Covenant Agreement, an Escrow Agreement and related financing documents; and
- 7. APPROVE and AUTHORIZE the taking of necessary actions and the execution of necessary documents in connection therewith.

## **FISCAL IMPACT:**

Issuance of up to \$105 million in bond financing. In current market conditions, the County expects to issue \$9.525 million for new capital projects and approximately \$90.075 to refund existing lease revenue bonds. The refunding of eligible bonds at current market rates will save the County approximately \$9.3 million on a net present value basis through 2028.

#### **BACKGROUND**:

The County has improvements to the Contra Costa Regional Medical Center, the Pittsburg Health Center, Contra Costa Health Services and the Women, Infant & Children Building in the approximate amount of \$9.5 million. In addition, a portion of the Authority's existing Lease Revenue Bonds can be refunded in the current market for debt service savings.

In the current market, the Authority could issue approximately \$99,600,000 of fixed rate direct purchase 2017 Series A Bonds (the "2017A Bonds") to finance various improvements and to refund the Authority's outstanding 2007 Series A, 2007 Series B, and 2009 Series A Lease Revenue Bonds.

#### • New Money Bonds:

• Capital Improvements - The Authority would finance approximately \$9,500,000 in various capital improvements. The bonds would have level debt service and amortize over 10 years, with principal paid from 2018 through 2027, in an approximate amount of \$1.08 million per year.

#### • Refunding Bonds:

- The refunding portion of the 2017A Bonds would be structured with uniform savings by refunded series, and would include the 2007 A&B bonds and 2009A bonds, with a cumulative refunded principal amount of \$117 million.
- There is a debt service reserve fund associated with the refunded 2007 Series A and B bonds, a portion of which is funded with cash. The cash associated with the reserve fund will be contributed to the refunding escrow and will reduce the amount of bonds needed to be issued to refund the 2007A and B bonds. Refunding savings are dependent on market rates, but we anticipate a total cash flow savings of \$24.6 million and a net present value savings of \$9.25 million, or 7.91%, based on current market rates.

**1999 Trust Agreement:** The 2007 Series A and B potential refunded bonds were issued pursuant to the 1999 Trust Agreement and are the only bonds remaining under that

Trust Agreement. The refunding of these bonds will release the leased assets from the 1999 Trust Agreement.

The 2017A Bonds would be issued under a new 2017 Trust Agreement. As with the Authority's existing Lease Revenue Bonds, the total value of the leased facilities must equal or exceed the par amount of the bonds and the fair market rental value of the leased facilities must equal or exceed the annual debt service payments on the bonds. The 2017A Bonds are not expected to have level overall debt service because the refunded bonds do not have level debt service. As such, the intention would be to secure the 2017A Bonds with several assets, with various lease maturity dates based on the shape of the 2017A debt service.

All of the above results are subject to market conditions at the time of financing.

Various documents are necessary to complete the financing and refunding, including a Trust Agreement, Site Lease, Facilities Lease, a Continuing Covenant Agreement, an Escrow Agreement and related financing documents (collectively, the "Financing Documents"). Through the Site Lease, the County leases certain facilities to the Authority. The County then leases back the facilities leased to the Authority under the Facilities Lease. Based on the revenue from the lease back of the facilities, and pursuant to the terms of the Trust Agreement, the Authority issues bonds and Wells Fargo Bank, National Association (WFB) acts as trustee for the bonds. Finally, under the terms of the Continuing Covenant Agreement, WFB will purchase the bonds and the County and Authority will take certain actions and deliver certain documents. The terms of the Continuing Covenant contain WFB's remedies in the event that the County or Authority default on their respective obligations and requires the County and Authority to indemnify WFB for actions related to various Financing Documents and the bonds.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

The Authority will be unable to issue the bonds, delaying construction and reimbursement of capital projects. In addition, the County would be unable to realize savings from refunding of existing debt.

#### **CHILDREN'S IMPACT STATEMENT:**

No impact.

## <u>ATTACHMENTS</u>

Resolution No. 2017/57

Body of Resolution No. 2017/57

Trust Agreement

**Facilities Lease** 

Site Lease

**Escrow Agreement** 

Continuing Covenant Agreement

Proof of Notice - Public Hearing

#### THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	N SEAL
NO:	
ABSENT:	
ABSTAIN:	
RECUSE:	COUNT

Resolution No. 2017/57

RESOLUTION APPROVING THE ISSUANCE AND SALE OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS, 2017 SERIES A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$105,000,000 TO FINANCE VARIOUS CAPITAL PROJECTS AND TO REFUND VARIOUS OUTSTANDING LEASE REVENUE BONDS OF THE AUTHORITY, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, A SITE LEASE, A FACILITIES LEASE, A CONTINUING COVENANT AGREEMENT, AND RELATED FINANCING DOCUMENTS; APPROVING THE FORM OF AN ESCROW AGREEMENT; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND EXECUTION OF NECESSARY DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the County of Contra Costa (the "County") and the Contra Costa County Flood Control and Water Conservation District have entered into an Amended and Restated Joint Exercise of Powers Agreement, dated June 16, 2015 pursuant to an amendment of the Joint Exercise of Powers Agreement, dated as of April 7, 1992 (as amended, the "Joint Powers Agreement"), between the County and the Contra Costa County Redevelopment Agency which Joint Powers Agreement creates and establishes the County of Contra Costa Public Financing Authority (the "Authority");

**WHEREAS,** pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing public capital improvements whenever there are significant public benefits;

WHEREAS, pursuant to a Trust Agreement, dated as of February 1, 1999 (as previously amended and supplemented, the "1999 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as successor trustee (the "Trustee"), the Authority issued \$122,065,000 of its Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), and \$110,265,000 of its Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds") in order to finance and refinance capital projects for the County;

WHEREAS, pursuant to a Trust Agreement, dated as of June 1, 2009 (the "2009 Trust Agreement"), by and between the Authority and Trustee, the Authority issued \$25,061,614.90 of its Lease Revenue Bonds (Capital Project Program), 2009 Series A (the "2009 Series A Bonds," and collectively with the 2007 Series A and the 2007 Series B Bonds, the "Refunded Bonds") in order to finance and refinance capital projects for the County;

**WHEREAS**, this Board of Supervisors of the County (the "Board") hereby requests the Authority to assist the County in the refunding and defeasance of the Refunded Bonds in order to produce debt service savings, resulting in significant public benefits for the County;

WHEREAS, this Board hereby further requests that the Authority assist the County in financing all or a portion of the cost of various public capital projects, including, but not limited to, (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo (collectively, the "2017 Project");

**WHEREAS**, the County desires to request and approve the Authority's issuance of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds") in an amount sufficient to finance the 2017 Project, refund the Refunded Bonds and pay related costs of issuance;

**WHEREAS**, in accordance with the requirements of Section 6586.5 of the Act, a public hearing regarding the financing of the 2017 Project proposed herein was conducted by the County on February 14, 2017;

**WHEREAS**, notice of such hearing was published at least five days prior to such hearing in a newspaper of general circulation in the County;

**WHEREAS**, the County hereby determines that the financing of the 2017 Project by the issuance of the Bonds by the Authority will result in significant public benefits to the County, including demonstrable savings in effective interest rate, bond preparation, or bond issuance costs;

**WHEREAS**, it is further proposed that the Authority and the Trustee enter into a trust agreement (the "Trust Agreement"), acknowledged by the County, and, pursuant to the Trust Agreement, the Authority will issue the Bonds in an aggregate principal amount not to exceed \$105,000,000;

**WHEREAS**, it is proposed that the County enter into a site lease (the "Site Lease") pursuant to which it will lease certain real property, including, but not limited to the facilities described in the Site Lease (collectively with all such property to be leased pursuant to the Site Lease, the "2017 Facilities"), to the Authority;

**WHEREAS**, it is proposed that the County enter into a facilities lease (the "Facilities Lease") pursuant to which it will lease back the 2017 Facilities from the Authority;

**WHEREAS**, under the Facilities Lease, the County will be obligated to make base rental payments to the Authority which the Authority will cause to be used to pay debt service on the Bonds;

**WHEREAS**, the County deems it necessary and desirable to authorize the sale of the Bonds by a direct purchase to Wells Fargo Bank, National Association or one of its affiliates (the "Purchaser") pursuant to a Continuing Covenant Agreement among the County, the Authority and the Purchaser (the "Continuing Covenant Agreement");

**WHEREAS**, Montague DeRose and Associates, LLC, is serving as financial advisor (the "Financial Advisor") to the County and the Authority, and Nixon Peabody LLP is serving as bond counsel ("Bond Counsel") to the County and the Authority in connection with the financing and refinancing;

WHEREAS, this Board has been presented with the substantially final form of each document referred to herein relating to the Bonds, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the County has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized; and

WHEREAS, the County expects to finance the 2017 Project and to refund the Refunded Bonds on a tax-exempt basis;

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Timothy Ewell, 925-335-1036

ATTESTED: February 14, 2017

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Hon. Robert R. Campbell, Auditor-Controller, Hon. Russell V. Watts, Treasurer-Tax Collector, Rebecca Hooley, Deputy County Counsel, Diana Oyler, Public Works Department

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of Contra Costa, as follows:

Section 1. The foregoing recitals are true and correct and this Board so finds and determines.

Section 2. The County hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the County and that the statements, findings and determinations of the County set forth above are true and correct and that the issuance of the Bonds by the Authority for the refunding of the Refunded Bonds and the financing of the 2017 Project will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs producing significant public benefits and the refunding of the Refunded Bonds will result in savings to the County.

Section 3. The Board of Supervisors hereby requests and approves the issuance of the Bonds by the Authority, in a principal amount of not to exceed \$105,000,000 for the financing of the 2017 Project, the refunding of the Refunded Bonds and the payment of related transaction costs.

Section 4. The form of Site Lease on file with the Clerk of the Board of Supervisors is hereby approved and the Chair of the Board of Supervisors, the Vice Chair of the Board of Supervisors, the County Administrator of the County, the County Finance Director or any designee of any such official (the "Authorized Signatories") and the Clerk of the Board of Supervisors or any assistant clerk of the Board of Supervisors (the "Clerk"), each acting alone, are hereby authorized and directed to execute and deliver, and the Clerk to attest, the Site Lease in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term thereof shall end on the date on which all Base Rental Payments and Additional Payments due and owing under the Facilities Lease are paid in full, not to exceed a term of 20 years.

Section 5. The form of Facilities Lease on file with the Clerk is hereby approved and any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver, and the Clerk to attest, the Facilities Lease in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum annual base rental payments payable under the Facilities Lease shall not exceed \$21 million and the term of the Facilities Lease (including any extensions) shall end on the date on which all of the Base Rental Payments and Additional Payments have been paid in full; provided that in the event the obligation of the County to pay Base Rental Payments or Additional Payments is abated for any period under the Facilities Lease, the term of the Facilities Lease shall extend until such time as all Base Rental Payments and Additional Payments set forth in the Facilities Lease have been paid in full, provided that the term of the Facilities Lease shall not extend more than ten years following the last Base Rental Payment date set forth in the Facilities Lease.

Section 6. The form of Trust Agreement on file with the Clerk is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to acknowledge the execution and delivery of the Trust Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the acknowledgement thereof.

Section 7. The form of Continuing Covenant Agreement on file with the Clerk is hereby approved. Any one of the Authorized Signatories, acting alone, is hereby authorized and directed to execute and deliver said Continuing Covenant Agreement in substantially the form on file with the Clerk, with such additions, deletions, changes and corrections therein as such officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however that (i) the interest rate on the Bonds (excluding any default rate or taxable rate) shall not exceed a true interest cost of three and a half percent (3.5%) per annum, and (ii) the refunding of the Refunded Bonds shall result in savings in accordance with the County's Debt Management Policy.

Section 8. The form of Escrow Agreement on file with the Clerk is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to acknowledge the execution and delivery of the Escrow Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the acknowledgement thereof

Section 9. The Authorized Signatories are each hereby authorized to enter into or to instruct the Authority or the Trustee to enter into one or more investment agreements, float contracts, other hedging products that are authorized under the County's Debt Policy from time to time (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Authorized Signatories shall deem appropriate including providing investments with terms up to the final maturity date of the Bonds. Pursuant to Section 5922 of the California Government Code, this Board hereby finds and determines that the Investment Agreement is designed to reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 10. The Authorized Signatories and other officers of the County are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, preparation of title reports and/or a title insurance policy, signature certificates, no-litigation certificates, tax and rebate certificates, and execution of any escrow instructions and documents in connection with the refunding and defeasance of the Refunded Bonds. The Authorized Signatories and other appropriate officers of the County before and after the issuance of the Bonds are hereby authorized and directed to execute and deliver any and all documents related to transfers of real property, lease termination agreements, property acceptances, title clarification documents, certificates, instructions as to investments, written

requests and other certificates necessary or desirable to refund the Refunded Bonds, administer the Bonds or leases, pay costs of issuance or to accomplish the transactions contemplated herein.

Section 11. All actions heretofore taken by the officers and agents of the County with respect to the issuance and sale of the Bonds are hereby approved and confirmed.

Section 12. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this 14<sup>th</sup> day of February, 2017.

Chair of the Board of Supervisors County of Contra Costa, California

ATTEST:

David J. Twa, Clerk of the Board of Supervisors and County Administrator

By:

Chief Deputy Clerk of the Board of Supervisors of the County of Contra Costa, State of California

#### CLERK'S CERTIFICATE

The undersigned, Chief Deputy Clerk of the Board of Supervisors of the County of Contra Costa, hereby certifies as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of said County duly and regularly held at the regular meeting place thereof on the 14<sup>th</sup> day of February, 2017, of which meeting all of the members of said Board of Supervisors had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

**AYES:** 

NOES:

An agenda of said meeting was posted at least 96 hours before said meeting at the County Administration Building, 651 Pine Street, Martinez, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

The foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting; said resolution has not been amended, modified or rescinded since the date of its adoption; and the same is now in full force and effect.

WITNESS my hand and the seal of the County of Contra Costa this 14<sup>th</sup> day of February, 2017.



Chief Deputy Clerk of the Board of Supervisors of the County of Contra Costa, State of California

#### TRUST AGREEMENT

by and between the

## COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION as Trustee

Dated as of [March] 1, 2017

\$[\_\_\_\_]
County of Contra Costa Public Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects),
2017 Series A

## TABLE OF CONTENTS

	P	age
ARTICLE I DEFINITIONS;	EQUAL SECURITY	3
SECTION 1.01	Definitions	3
SECTION 1.02	Equal Security	
SECTION 1.02 SECTION 1.03	Interpretation	
	петриштоп	
SECTION 2.01	Authorization of Bonds	
SECTION 2.02	Terms of the Bonds	
SECTION 2.03	Form of Bonds	
SECTION 2.04	Execution of Bonds	
SECTION 2.05	Transfer and Payment of Bonds	
SECTION 2.06	Exchange of Bonds	
SECTION 2.07	Bond Registration Books	. 17
SECTION 2.08	Mutilated, Destroyed, Stolen or Lost Bonds; Temporary	
	Bonds	
SECTION 2.09	Special Covenant as to Book-Entry Only System for Bonds	
ARTICLE III ISSUANCE O	F Bonds	. 19
SECTION 3.01	Procedure for the Issuance of Bonds	. 19
SECTION 3.02	Project Fund	. 20
SECTION 3.03	Intentionally Left Blank	. 21
SECTION 3.04	Intentionally Left Blank	
SECTION 3.05	Limitations on the Issuance of Obligations Payable From	
	Revenues	. 21
ARTICLE IV REDEMPTIO	N OF BONDS	. 21
SECTION 4.01	Extraordinary Redemption	. 21
SECTION 4.02	Optional Redemption	
SECTION 4.03	[Mandatory Sinking Fund Redemption	
SECTION 4.04	Selection of Bonds for Redemption	
SECTION 4.05	Notice of Redemption; Cancellation; Effect of Redemption	
	,	
SECTION 5.01	Pledge of Revenues and Assignment	
SECTION 5.02	Receipt and Deposit of Revenues in the Revenue Fund	. 24
SECTION 5.03	Establishment and Maintenance of Accounts for Use of	<b>.</b>
	Money in the Revenue Fund	
SECTION 5.04	Application of Insurance Proceeds	
SECTION 5.05	Deposit and Investments of Money in Accounts and Funds	. 26
ARTICLE VI COVENANTS	S OF THE AUTHORITY	. 27
SECTION 6.01	Punctual Payment and Performance	. 27
SECTION 6.02	Against Encumbrances	

# TABLE OF CONTENTS

(continued)

		Page
SECTION 6.03	Rebate Fund	27
SECTION 6.04	Tax Covenants	
SECTION 6.05	Accounting Records and Reports	
SECTION 6.06	Prosecution and Defense of Suits	
SECTION 6.07	Further Assurances	28
SECTION 6.08	Maintenance of Revenues	29
SECTION 6.09	Amendments to Facilities Lease and Site Lease	29
SECTION 6.10	Leasehold Estate	30
SECTION 6.11	Intentionally Left Blank	
ARTICLE VII EVENTS OF	DEFAULT AND REMEDIES OF BONDHOLDERS	31
SECTION 7.01	Events of Default and Acceleration of Maturities	31
SECTION 7.02	Application of Funds Upon Acceleration	
SECTION 7.03	Institution of Legal Proceedings by Trustee	
SECTION 7.04	Non-Waiver	
SECTION 7.05	Remedies Not Exclusive	
SECTION 7.06	[Bondholders' Direction of Proceedings	
SECTION 7.07	Limitation on Bondholders' Right to Sue	
ARTICLE VIII THE TRUS	TEE	
SECTION 8.01	The Trustee	3/
SECTION 8.02	Liability of Trustee	
SECTION 8.03	Compensation and Indemnification of Trustee	
	NT OF THE TRUST AGREEMENT	
SECTION 9.01	Amendment of the Trust Agreement	
SECTION 9.02	Disqualified Bonds.	
SECTION 9.03	Endorsement or Replacement of Bonds After Amendment Notice to and Consent of Bondholders	
SECTION 9.04		-
SECTION 9.05	Amendment by Mutual Consent	
ARTICLE X DEFEASANC	E	40
SECTION 10.01	[Discharge of Bonds	
SECTION 10.02	Unclaimed Money	41
ARTICLE XI MISCELLAN	IEOUS	42
SECTION 11.01	Liability of Authority Limited to Revenues	42
SECTION 11.02	Benefits of this Trust Agreement Limited to Parties and	
	Third Party Beneficiaries	42
SECTION 11.03	Successor Is Deemed Included in All References to	
	Predecessor	42
SECTION 11.04	Execution of Documents by Bondholders	43
SECTION 11.05	Waiver of Personal Liability	
SECTION 11.06	Intentionally Left Blank	
	•	

# TABLE OF CONTENTS

## (continued)

			Page
SEC	CTION 11.07	Accounts and Funds	43
SEC	CTION 11.08	Business Day	43
SEC	CTION 11.09	Notices	43
SEC	CTION 11.10	Article and Section Headings and References	44
SEC	TION 11.11	Partial Invalidity	44
SEC	CTION 11.12	Governing Law	44
SEC	CTION 11.13	Execution in Several Counterparts	45
Exhibit A	hibit A Form of 2017 Series A Bond		A-1
Exhibit B Form of Requisition – Project Fund		B-1	
Exhibit C	Form of Reg	uisition – Costs of Issuance	C-1

THIS TRUST AGREEMENT dated as of [March] 1, 2017 (the "Trust Agreement"), by and between the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority duly organized and existing pursuant to an agreement entitled "Amended and Restated Joint Exercise of Powers Agreement" by and between the County of Contra Costa and the Contra Costa County Flood Control and Water Conservation District, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the "Trustee");

#### WITNESSETH:

**WHEREAS**, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the "Act");

**WHEREAS**, Article 4 of the Act authorizes and empowers the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the Authority has issued \$122,065,000 of its Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), and \$110,265,000 of its Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds") pursuant to a Trust Agreement, dated as of February 1, 1999 (as supplemented and amended, the "1999 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "2007 Trustee") successor to U.S. Bank National Association, as trustee;

**WHEREAS**, the Authority has issued \$25,061,614.90 of its Lease Revenue Bonds (Capital Project Program), 2009 Series A (the "2009 Refunded Bonds," and collectively with 2007 Refunded Bonds, the "Refunded Bonds") pursuant to a Trust Agreement, dated as of June 1, 2009 (as supplemented and amended, the "2009 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "2009 Trustee");

**WHEREAS**, the County of Contra Costa (the "County") following a public hearing duly noticed and held, has determined that the consummation of the transactions contemplated in the Site Lease (as hereinafter defined), the Facilities Lease (as hereinafter defined), the Continuing Covenant Agreement (as hereinafter defined) and this Trust Agreement will result in significant public benefits;

**WHEREAS**, the Authority is empowered pursuant to the Facilities Lease and Article 4 of the Act to cause the lease of the Facilities (as hereinafter defined), and to cause the financing of the Project (as hereinafter defined) and the refunding of the Prior Bonds through the issuance of its bonds;

**WHEREAS**, the County has determined to finance and refinance various capital projects as set forth in Exhibit D to the Facilities Lease (as amended from time to time, the "Capital Projects");

**WHEREAS**, the Authority intends to assist the County in financing and refinancing the Capital Projects and refunding all of the Refunded Bonds by issuing the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds");

**WHEREAS**, the County will lease to the Authority certain capital assets of the County (the "Facilities") pursuant to the Site Lease;

**WHEREAS**, the County will lease back the Facilities from the Authority pursuant to the terms of the Facilities Lease;

**WHEREAS**, the Authority has authorized the issuance of the Bonds, in an aggregate principal amount of [\_\_\_\_\_] dollars (\$[\_\_\_\_]) to assist in financing a portion of the Capital Projects and refunding the Refunded Bonds;

**WHEREAS**, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the Capital Projects and the refunding of the Refunded Bonds, from which significant public benefit will be achieved, the Bonds shall be issued pursuant to Article 4 of the Act;

**WHEREAS**, to provide for the authentication and delivery of the Bonds (as hereinafter defined), to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority and authenticated and delivered by the Trustee, duly issued and the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth, have been done and taken, and have been in all respects duly authorized;

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

#### ARTICLE I

#### DEFINITIONS; EQUAL SECURITY

- SECTION 1.01 <u>Definitions</u>. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facilities Lease.
- "Act" means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.
- "Authority" means the County of Contra Costa Public Financing Authority created pursuant to the Act and its successors and assigns in accordance herewith (as defined in the recitals).
- "Authorized Denominations" means, with respect to the Bonds, \$[100,000] or any integral multiple thereof.
- "Bond Counsel" means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.
- "**Bond Year**" means the twelve (12)-month period ending on June 1 of each year to which reference is made.
- "Bondholder" or "Owner" means any person who shall be the registered owner of any Outstanding Bond.
- "**Bonds**" means Authority's Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A executed, issued and delivered in accordance with Section 2.02(a) and Section 3.01.
- "Business Day" means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California or in any state in which the office of the Trustee or the Purchaser is located are authorized to remain closed or a day on which the Federal Reserve system is closed.
- "Breakage Fee" has the meaning given to such term in the Continuing Covenant Agreement.
- "Capital Projects" means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of the Project, as described in the Facilities Lease, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed by a portion of the proceeds of the Bonds.

"Certificate of the Authority" means an instrument in writing signed by any of the following officials of the Authority: Chair, Vice-Chair, Executive Director, Assistant Executive Director or Deputy Executive Director or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

"Certificate of the County" means an instrument in writing signed by any of the following County officials: the Chair of the Board of Supervisors, the County Administrator of the County, the Treasurer-Tax Collector of the County or the County Finance Director or by any such officials' duly appointed designee, or by any other officer of the County duly authorized by the Board of Supervisors of the County for that purpose.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of March 1, 2017, among the Authority, the County and Wells Fargo Bank, National Association, as originally executed and as it may from time to time be amended, supplemented, modified or restated in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the County or the Authority and related to the authorization, execution and delivery of the Facilities Lease, the Site Lease, the Continuing Covenant Agreement, this Trust Agreement and the issuance and sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, title search and title insurance fees, fees of the Authority and any other authorized cost, charge or fee in connection with the issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.01.

"County" means the County of Contra Costa, a County organized and validly existing under the Constitution and general laws of the State.

"Debt Service" means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or other period on all Outstanding Bonds, assuming that all Outstanding Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds so long as such funded interest is in an amount equal to the gross amount necessary to pay such interest on the Bonds and is invested in Permitted Investments which mature no later than the related Interest Payment Date) and (2) the principal amount of all Outstanding Bonds required to be redeemed or paid (together with the redemption premiums, if any, thereon) during such Fiscal Year or other period; provided, that the foregoing shall be subject to adjustment and recalculation.

"Default Rate" has the meaning given to such term in the Continuing Covenant Agreement.

**Depository**" means DTC or another recognized securities depository selected by the Authority which maintains a book-entry system for the Bonds.

"**Determination of Taxability**" has the meaning given to such term in the Continuing Covenant Agreement.

"DTC" means The Depository Trust Company, New York, New York, its successors and their assigns or, if DTC or its successor or assign resigns from its functions as Depository for the Bonds, any other Depository which agrees to follow the procedures required to be followed by a Depository in connection with the Bonds and which is selected by the Authority, following consultation with the Purchaser.

"Escrow Agent" means Wells Fargo Bank, National Association, as escrow agent, or any successor thereto.

**"Escrow Agreement**" means that certain Escrow Agreement, by and between the Escrow Agent and the Authority, dated as of [March] 1, 2017, providing for the redemption and defeasance of the 2007 Refunded Bonds.

"Escrow Fund" means the fund of the same name defined in the Escrow Agreement.

"Event of Default" shall have the meaning specified in Section 7.01.

**"Facilities**" shall mean the real property and the improvements thereon, as set forth in Exhibit A to the Facilities Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or any portion thereof, in accordance with the Facilities Lease, this Trust Agreement and the Continuing Covenant Agreement.

"Facilities Lease" means that certain lease, entitled "Facilities Lease", by and between the County and the Authority, dated as of [March] 1, 2017, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [March 3], 2017 as document No. [2017-\_\_\_\_], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

"Fiscal Year" means the twelve (12)-month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

"Government Securities" means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGS"); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry

form; (5) pre-refunded municipal bonds rated the same rating as U.S. Treasury securities, or if not rated, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or another state of the United States of America or a comparable successor, appointed and paid by the Authority, and who, or each of whom –

- (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the County;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the County; and
- (3) is not connected with the Authority or the County as a member, officer or employee of the Authority or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the County.

"Interest Payment Date" means, with respect to the Bonds, June 1 and December 1 in each year, commencing June 1, 2017.

"Interest Payment Period" means the period from each Interest Payment Date (or, for the first Interest Payment Period, the date of the Bonds) to and including the day immediately preceding the next succeeding Interest Payment Date.

"Interest Rate" means \_\_\_\_\_% per annum, as adjusted pursuant to the terms hereof.

"Moody's" means Moody's Investors Service a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Nominee" means the nominee of the Securities Depository (currently Cede & Co.), which may be the Securities Depository, or any nominee substituted by the Securities Depository pursuant to Section [\_\_\_].

"Opinion of Counsel" means a written opinion of Bond Counsel.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.02) all Bonds except

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 10.01;
  - (3) Bonds deemed tendered but not yet presented for purchase; and
- (4) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant hereto.

"Permitted Encumbrances" means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facilities Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facilities Lease in the office of the County Recorder of the County of Contra Costa and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time, and the Facilities Lease, as it may be amended from time to time; (4) this Trust Agreement, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the County; and (7) subleases and assignments of the County which, as provided in an Opinion of Counsel, will not adversely affect the exclusion from gross income of interest on the Bonds[; provided that any such subleases or assignments pursuant to this clause (7) shall be subject to the prior written consent of the Purchaser].

## "Permitted Investments" means any of the following:

- (1) Government Securities:
- (2) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;
- (3) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (a) Farmers Home Administration (FmHA) certificates of beneficial ownership, (b) Federal Housing Administration (FHA) debentures, (c) General Services Administration participation certificates, (d) Government National Mortgage Association (GNMA or "Ginnie Mae")

guaranteed mortgage-backed bonds and guaranteed pass-through obligations (participation certificates), (e) U.S. Maritime Administration guaranteed Title XI financing, and (f) U.S. Department of Housing and Urban Development (HUD) Project Notes and Local Authority Bonds;

- (4) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (a) Federal Home Loan Bank System senior debt obligations (consolidated debt obligations), (b) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") participation certificates (mortgage-backed securities) and senior debt obligations, (c) Federal National Mortgage Association (FNMA or "Fannie Mae") mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal), (d) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form, and (e) Farm Credit System Consolidated systemwide bonds and notes;
- (5) money market funds registered under the Federal Investment Company Act of 1940, the shares of which are registered under the Federal Securities Act of 1933, and which have a rating at the time of purchase by S&P of AAAm-G, AAAm, or AA-m and, if rated by Moody's, rated Aaa, Aa1 or Aa2, and which funds may include funds which the Trustee, its affiliates, or subsidiaries provide investment advisory or other management services;
- (6) certificates of deposit secured at all times by collateral described in (2) and/or (3) above (which collateral must be held by a third party and subject to a perfected first security interest held by the Trustee) with a maturity of one year or less and issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations at the time of purchase are rated "A-1" or better by S&P and "Prime-1" by Moody's;
- (7) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;
  - (8) investment agreements, including guaranteed investment contracts;
- (9) commercial paper rated at the time of purchase "Prime-1" by Moody's and "A-1" or better by S&P;
- (10) bonds or notes issued by any state or municipality which is rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies at the time of purchase;
- (11) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or better by S&P at the time of purchase;

- (12) repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender) and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date and that satisfy the following criteria:
  - (a) repurchase agreements must be between the municipal entity and dealer banks or securities firms that are (i) on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which, at the time of purchase, are rated A or better by S&P and Moody's, or (ii) banks rated "A" or above by S&P and Moody's, at the time of purchase, and
  - (b) repurchase agreements must include the following: (i) securities that are acceptable for transfer, including those describe in clauses (2) and (3) above, (ii) terms of not more than 30 days, (iii) collateral must be delivered to the Trustee (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before or simultaneously with payment (perfection by possession of certificated securities), (iv) the Trustee must have a perfected first priority security interest in the collateral, (v) collateral must be free and clear of third-party liens and, in the case of an SIPC broker, must not have been acquired pursuant to a repurchase agreement or reverse repurchase agreement, (vi) failure to maintain the requisite collateral percentage, after a two day restoration period, requires the Trustee to liquidate collateral, (vii) securities must be valued weekly and marked-to-market at current market price plus accrued interest, and (viii) the value of-collateral must be equal to 104% or, if the securities used as collateral are FNMA or FHLMC securities. 105%, of the amount of cash transferred to the dealer bank or security firm under the repurchase agreement plus accrued interest and, if the value of securities held as collateral slips below such amount, then additional cash and/or acceptable securities must be transferred;
- (13) pre-refunded municipal bonds rated the same rating as U.S. Treasury securities or, if there is no rating, then pre-refunded bonds pre-refunded with cash, direct U.S. or U.S. guaranteed obligations;
  - (14) the County of Contra Costa Investment Pool;
- (15) shares of beneficial interest issued by the Investment Trust of California (CalTRUST) pursuant to California Government Code Section 6509.7 and authorized for local agency investment pursuant to California Government Code Section 53601(o); and

(16) the Local Agency Investment Fund of the State of California. The Trustee may conclusively rely on the written instructions of the Authority and the County that such investment is a Permitted Investment.

"**Person**" means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"**Principal Office**" refers to the office of the Trustee noted in Section 11.09 and such other offices as the Trustee may designate from time to time.

"**Principal Payment Date**" means any date on which principal of the Bonds is required to be paid (whether by reason of maturity, redemption or acceleration).

"Project" means the Capital Projects and the (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo, and payment of any costs associated with financing of said projects, as set forth in Exhibit D to the Facilities Lease as the same may be changed from time to time, in accordance with Section 3.07 of the Facilities Lease, by the County by filing a Certificate of the County with the Trustee.

"**Project Fund**" means the fund by that name established pursuant to Section 3.02.

"Purchaser" means, initially, Wells Fargo Bank, National Association, and its successors and assigns, and upon the receipt from time to time by the Trustee and the County of a notice described in Section 9.13(a) of the Continuing Covenant Agreement, means the Person designated in such notice as the Purchaser.

"Record Date" means the close of business on the fifteenth (15th) calendar day (whether or not a Business Day) of the month preceding any Interest Payment Date.

"Redemption Date" shall mean the date fixed for redemption of any Bonds.

"Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium and Breakage Fee, if any, payable upon redemption thereof pursuant to the provisions of such Bond, this Trust Agreement and the Continuing Covenant Agreement.

"Refunded Bonds" means the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), County of Contra Costa Public Financing Authority Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds"), and County of Contra Costa Public

Financing Authority Lease Revenue Bonds (Capital Projects Program), 2009 Series A (the "2009 Series A Bonds").

"**Representation Letter**" means the blanket letter of representation of the Authority to DTC or any similar letter to a substitute depository.

"Responsible Officer" means any officer of the Trustee assigned to administer its duties under this Trust Agreement.

"Revenue Fund" means the fund by that name created pursuant to Section 5.02 hereof.

"Revenues" means (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facilities Lease (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to Section 5.05, of any money in any fund or account (other than the Rebate Fund) established pursuant to this Trust Agreement or the Facilities Lease.

"S&P" means S& P Global Ratings, a Standard & Poor's Financial Services LLC business, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Securities Depository" means DTC or any successor securities depository appointed pursuant to Section [\_\_\_].

"Securities Depository Participants" means those financial institutions for which the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Securities Depository Participants exists at the time of such reference.

"Site Lease" means that certain lease, entitled "Site Lease," by and between the County and the Authority, dated as of [March] 1, 2017, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [March 3], 2017 as document No. [2017-\_\_\_\_], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

"State" means the State of California.

"Supplemental Trust Agreement" means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is executed and delivered pursuant to the provisions hereof.

"**Tax Certificate**" means the Tax Certificate and Agreement delivered by the Authority and the County at the time of the issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

"Taxable Date" means the date on which interest on the Bonds is first includable in gross income of the Bondholders (including, without limitation, any previous Bondholder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"**Taxable Rate**" means, for each day occurring on and after a Taxable Date, a rate of interest per annum equal to the product of (i) the interest rate on the Bonds for such day, and (ii) 1.54.

"Trust Agreement" means this Trust Agreement, dated as of [March] 1, 2017, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

"**Trustee**" means Wells Fargo Bank, National Association, or any other association or corporation which may at any time be substituted in its place as provided in Section 8.01.

"Written Request of the Authority" means an instrument in writing signed by or on behalf of the Authority by its Chair, Vice-Chair, Executive Director, Assistant Executive Director or Deputy Executive Director or a designee of any such officer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

"Written Request of the County" means an instrument in writing signed by the County Administrator of the County or his designee, or by the County Finance Director of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

SECTION 1.03 <u>Interpretation</u>. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean or include the neuter, masculine or feminine gender, as appropriate. Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

## ARTICLE II

#### THE BONDS

## SECTION 2.01 Authorization of Bonds.

- (a) The Bonds are hereby created and designated "County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A."
- (b) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Bonds in the form and manner provided herein for the purpose of providing funds to finance the Capital Projects and refund the Refunded Bonds, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.
- (c) The validity of the issuance of the Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of the Capital Projects or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

## SECTION 2.02 <u>Terms of the Bonds</u>.

(a) The Bonds shall be issued in the aggregate principal amount of [\_\_\_\_] dollars (\$[\_\_\_\_]). The Bonds shall be dated the date of issuance thereof, shall be issued only in fully registered form in Authorized Denominations (not exceeding the principal amount of Bonds maturing at any one time), shall bear interest at the Interest Rate and shall mature in the years and in the principal amounts subject to prior redemption as described in Article IV hereof:

# County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A

Maturity Date		
(June 1)	Principal Amount	Interest Rate
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		

Interest on the Bonds shall be payable commencing June 1, 2017 and semiannually thereafter on June 1 and December 1 in each year. The Bonds shall pay interest to the registered owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after the Record Date for an Interest Payment Date, in which event they shall pay interest from such Interest Payment Date, or unless such date of authentication is on or prior to the Record Date for the first Interest Payment Date, in which event they shall pay interest from their dated date. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding anything to the contrary in this Trust Agreement, the interest rate on the Bonds is subject to the following adjustments:

- (i) from and after any Taxable Date, the interest rate on the Bonds shall equal the Taxable Rate; and
- (ii) upon the occurrence of an Event of Default, the interest rate on the Bonds shall equal the Default Rate.
- (b) Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to Section 2.07; provided, however, that interest on the Bonds shall be paid by wire transfer or other means to provide immediately available funds to the Purchaser and any Owner of at least \$1,000,000 in aggregate principal amount of the Bonds according to wire instructions for an account within the United States of America given to the Trustee in writing for such purpose and on file as of the applicable Record Date preceding the Interest Payment Date.

- (c) Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of this Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Bond, as appropriate, from moneys held by the Trustee for such payment.
- (d) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is surrendered to the Trustee for cancellation.
- (e) The Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal, and premium by the CUSIP number of the related Bonds.
- SECTION 2.03 <u>Form of Bonds</u>. The Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and by this reference is herein incorporated.

SECTION 2.04 Execution of Bonds. The Chair or the Executive Director of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 2.05 Transfer and Payment of Bonds. (a) Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.07 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect

to such transfer as a condition precedent to the exercise of such privilege and the Trustee may further require all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the cost basis information provided to it and shall have no responsibility to verify or ensure the accuracy of such information provided to it.

The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bonds which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of Bonds for redemption.

[Notwithstanding anything herein to the contrary, the Bonds may be transferred without limitation to any Affiliate of the Purchaser or to a trust or custodial arrangement established by the Purchaser or an Affiliate of the Purchaser, each of the beneficial owners of which are "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended and subject to the limitations, if any, set forth in the Continuing Covenant Agreement. The Bonds may be transferred to another purchaser (other than an Affiliate of the Purchaser or a trust or custodial arrangement as described in the preceding sentence) if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the Authority and the Trustee by such transferor and (ii) such purchaser shall have delivered to the Issuer, the Trustee and the transferor an Investor Letter in the form attached hereto as Exhibit D executed by a duly authorized officer of such purchaser; provided that each such purchaser shall constitute a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.]

SECTION 2.06 Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege and the Trustee may further require all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the cost basis information provided to it and shall have no responsibility to verify or ensure the accuracy of such information provided to it. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of

such Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.07 <u>Bond Registration Books</u>. The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority upon reasonable notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.08 <u>Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds</u>. If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

# SECTION 2.09 Special Covenant as to Book-Entry Only System for Bonds.

- (a) Except as otherwise provided in subsections (b) and (c) of this Section 2.09, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.
- (b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of the Bonds of such maturity. Upon initial issuance, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section 2.09, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section 2.09.
- (c) In the event that the Authority determines that the Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.09. DTC may determine to discontinue providing its services with respect to the Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the

Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.09. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 2.09 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section 2.09, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

- (d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.
- (e) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.09, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.05 and 2.06. In the event Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.05 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

## ARTICLE III

## **ISSUANCE OF BONDS**

SECTION 3.01 Procedure for the Issuance of Bonds. At any time after the sale of the Bonds in accordance with the Act, the Authority shall execute the Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, apply the proceeds received from such sale to the following respective parties or to the following respective accounts, in the following order of priority:

(i) transfer the amount of \$[\_\_\_\_] to the Escrow Agent for deposit to the Escrow Fund to refund the 2007 Refunded Bonds;

(ii)	transfer the amount of \$[] to the 2009 Trustee for deposit in
	Fund held under the 2009 Trust Agreement to refund the 2009
Refunded Bor	ids;
maintain. All by the Trustee Request of the filed with the state the perso purpose(s) for proper charge Written Reque Fund shall be	deposit the sum of \$[] to the Costs of Issuance Fund, which created and which fund the Trustee hereby covenants and agrees to money in the Costs of Issuance Fund shall be used and withdrawn to pay the Costs of Issuance of the Bonds upon receipt of a Written e Authority, in substantially the form attached hereto as Exhibit C, Trustee, each of which shall be sequentially numbered and shall on(s) to whom payment is to be made, the amount(s) to be paid, the which the obligation(s) was incurred and that such payment is a gagainst said fund. On [December 1, 2017], or upon the earlier est of the Authority, any remaining balance in the Costs of Issuance transferred to the 2017 Series A Project Account within the Project Costs of Issuance Fund shall be closed; and
(iv) Account withi	deposit the amount of \$[] in the 2017 Series A Project n the Project Fund.
provided for in Section 3.01) upon the Written Request of	<u>Project Fund</u> . The Trustee hereby agrees to establish and maintain Outstanding the Project Fund (the initial payment into which is . The moneys in the Project Fund shall be disbursed by the Trustee the County in substantially the form of Exhibit B hereto filed with of Project Costs relating to the Project.
· -	syment is made from the Project Fund, there shall be filed with the the County showing with respect to each payment to be made:
(i)	the item number of the payment;
(ii)	the name of the person to whom payment is due;
(iii)	the amount to be paid; and
(iv)	the purpose for which the obligation to be paid was incurred.
Each such Wastate:	ritten Request shall be sufficient evidence to the Trustee and shall
suic.	
(a)	that obligations in the stated amounts have been incurred by the

that there has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Request, which has not been released or will not be released simultaneously with the

County, and that each item thereof is a proper charge against the Project Fund and has not

been the subject of a prior requisition; and

payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Upon receipt of each such Written Request, the Trustee will pay the amount set forth in such Written Request as directed by the terms thereof. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

All interest earnings on amounts on deposit in the Project Fund shall be deposited therein. Upon the completion of the Project, any amounts remaining in the 2017 Series A Project Account shall be expended on Capital Projects as specified by the County, subject to the receipt by the Authority of an Opinion of Counsel that such expenditures will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation.

SECTION 3.03 <u>Intentionally Left Blank.</u>

SECTION 3.04 <u>Intentionally Left Blank.</u>

SECTION 3.05 <u>Limitations on the Issuance of Obligations Payable From Revenues.</u> The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues.

## ARTICLE IV

# REDEMPTION OF BONDS

SECTION 4.01 <u>Extraordinary Redemption</u>. The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02(a) of the Facilities Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date [as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the Purchaser].

SECTION 4.02 Optional Redemption. [The Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Authority, as the direction of the County, in whole or in part, on any Business Day (in such amounts as may be specified by the Authority), by lot, at the principal amount thereof, provided that any such option redemption shall be subject to the payment of a Breakage Fee, if any.]

SECTION 4.03 [Mandatory Sinking Fund Redemption. The Bonds shall be subject to mandatory redemption in the amounts and on the dates set forth in Section 2.02(a) hereof.]

SECTION 4.04 Selection of Bonds for Redemption. The Authority shall designate which maturities of Bonds and the principal amount of Bonds which are to be redeemed. If less than all Outstanding Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such selection, Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. The Authority may designate which sinking account payments are allocated to a sinking fund redemption.

SECTION 4.05 Notice of Redemption; Cancellation; Effect of Redemption. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than [twenty (20)] nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that redemption shall not occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption shall be cancelled by the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

If notice of redemption has been duly given as aforesaid and money for the payment of the Redemption Price of the Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Bondholders of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and disposed of in a manner deemed appropriate by the Trustee and shall not be reissued.

## ARTICLE V

## **REVENUES**

# SECTION 5.01 Pledge of Revenues and Assignment.

- (a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.03) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are hereby irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds as provided herein, and the Revenues and other amounts pledged hereunder shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the Rebate Fund created pursuant to Section 6.03) for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof.
- (b) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facilities Lease, the Trustee shall notify the County of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the County's obligation to make timely payments of installments of Base Rental Payments.
- [The Authority hereby transfers in trust, grants a security interest in and (c) assigns to the Trustee, for the benefit of the Bondholders, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Facilities Lease (except for (i) the right to receive any Additional Payments) to the extent payable to the Authority under the Facilities Lease, (ii) any rights of the Authority to indemnification and rights of inspection and consent, and (iii) the obligations of the County to make deposits pursuant to the Tax Certificate). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. Subject to the provisions of Section [ ] with respect to the control of remedial proceedings, the Trustee shall also be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the County under the Facilities Lease other than those items excepted in the parenthetical contained in the first sentence of this

subsection. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Trust Agreement.]

(d) If on the second Business Day prior to the day of any month in which a Base Rental is requirement to be made, the Trustee has not received the full amount of such Base Rental Payments, the Trustee shall immediately notify the County and the Purchaser of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

SECTION 5.02 Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, assignment, charge and lien contained herein, the Authority agrees and covenants that all Revenues and all other amounts pledged hereunder when and as received shall be received by the Authority in trust hereunder for the benefit of the Bondholders and shall be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund (the "Revenue Fund"), which fund is hereby created and which fund the Trustee hereby agrees and covenants to maintain in trust for Bondholders so long as any Bonds shall be Outstanding hereunder. The County has been directed to pay all Base Rental Payments directly to the Trustee. If the Authority receives any Base Rental Payments, it shall hold the same in trust as agent of the Trustee and shall immediately transfer such Base Rental Payments to the Trustee. All Revenues and all other amounts pledged and assigned hereunder shall be accounted for through and held in trust in the Revenue Fund, and the Trustee shall have no beneficial right or interest in any of the Revenues except only as herein provided. All Revenues and all other amounts pledged and assigned hereunder, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Trustee.

# SECTION 5.03 <u>Establishment and Maintenance of Accounts for Use of Money in</u> the Revenue Fund.

- (a) Revenue Fund. Subject to Section 6.03, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which is hereby created and each of which the Trustee hereby covenants and agrees to cause to be maintained) in the following order of priority:
  - (1) Interest Account, and
  - (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(b) <u>Interest Account</u>. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

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

(c) <u>Principal Account</u>. On or before each June 1, commencing June 1, [2017], the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such June 1 into the sinking fund account for all Outstanding Bonds. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of all sinking fund payments required to be made on such June 1 for all Outstanding Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Bonds, designated as the "2017A Sinking Account" (the "Sinking Account"). With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of the Bonds upon the notice and in the manner provided in Article IV.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal or Redemption Price of the Bonds as it shall become due and payable, whether at maturity or redemption, except that any money in the Sinking Account shall be used and withdrawn by the Trustee only to redeem or to pay Term Bonds for which such Sinking Account was created Bonds pursuant to Section 4.03 hereof.

SECTION 5.04 Application of Insurance Proceeds. In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority, shall [subject to Section 3.08 of the Facilities Lease, cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Authority shall file a Certificate of the Authority with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the Authority under the Facilities Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the Authority, stating that the Authority

has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be paid to the Trustee as Base Rental Payments and applied in the manner provided by Section 5.01. Alternatively, the Authority, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial damage or destruction of the Facilities, of the Base Rental Payments, Additional Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect [subject to Section 3.08 of the Facilities Lease,] not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Section 4.01. The Authority shall not apply the proceeds of insurance as set forth in this Section 5.04 to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.05 Deposit and Investments of Money in Accounts and Funds. Subject to Section 6.03, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the Authority or, if no instructions are received, in the Wells Fargo Government Money Market Fund. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. For purposes of this restriction, Permitted Investments containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Unless otherwise instructed by the Authority, all interest or profits received on any money so invested shall be deposited in the Revenue Fund; provided that, with respect to the Project Fund, earnings on amounts in such fund shall be credited to such fund until completion of the respective Projects. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Trust Agreement.

Investments purchased with funds on deposit in the Revenue Fund shall mature not later than the payment date or redemption date, as appropriate, immediately succeeding the investment.

Subject to Section 6.03, investments in any and all funds and accounts except for the Rebate Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Trust Agreement.

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

## ARTICLE VI

## **COVENANTS OF THE AUTHORITY**

SECTION 6.01 <u>Punctual Payment and Performance</u>. The Authority will punctually pay out of the Revenues the interest on and principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Authority contained herein and in the Bonds.

SECTION 6.02 <u>Against Encumbrances</u>. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 5.01, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.04.

# SECTION 6.03 Rebate Fund.

- (a) In addition to the accounts created pursuant to Section 5.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 5.01, 5.02, 5.05, 9.01 and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 6.03 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.
- (b) Any funds remaining in the Rebate Fund with respect to the Bonds after redemption and payment of all Bonds and all other amounts due hereunder or under the Facilities Lease, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the Written Request of the Authority.

# SECTION 6.04 <u>Tax Covenants</u>.

(a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or

cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the Bonds.

- (b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.
- (c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.05 Accounting Records and Reports. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Authority at reasonable hours and under reasonable conditions. The Trustee shall provide to the Authority monthly statements covering the funds and accounts held pursuant to the Trust Agreement. Not more than one hundred eighty (180) days after the close of each Fiscal Year, the Trustee shall furnish or cause to be furnished to the Authority a complete financial statement (which may be in the form of the Trustee's customary account statements) covering receipts, disbursements, allocation and application of Revenues for such Fiscal Year. The Authority shall keep or cause to be kept such information as is required under the Tax Certificate.

SECTION 6.06 Prosecution and Defense of Suits. The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit, action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 6.07 <u>Further Assurances</u>. The Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be

necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

SECTION 6.08 <u>Maintenance of Revenues</u>. The Authority will promptly collect all rents and charges due for the occupancy or use of the Facilities as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. Pursuant to Section 5.02 and the Facilities Lease, the County is to pay all Base Rental Payments directly to the Trustee. The Authority will at all times maintain and vigorously enforce all of its rights under the Facilities Lease.

# SECTION 6.09 Amendments to Facilities Lease and Site Lease.

- The Authority shall not supplement, amend, modify or terminate any of (a) the terms of the Facilities Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee and the Purchaser. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of addition, substitution or release of real property pursuant to Section 2.03 of the Facilities Lease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any addition, substitution or release of property in accordance with Section 2.03 of the Facilities Lease or prepayment in accordance with Section 7.02 of the Facilities Lease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provisions of Section 2.03 of the Facilities Lease, or deleted due to prepayment pursuant to the provisions of Section 7.02 of the Facilities Lease, or (f) if the Trustee first obtains the written consent of the Purchaser to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the County pursuant to the Facilities Lease to an amount less than the scheduled principal and interest payments on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Trust Agreement on the Base Rental Payments (except as expressly provided in the Facilities Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.
- (b) The Authority shall not supplement, amend, modify or terminate any of the terms of the Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee and the Purchaser. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, (b) is to add to the

agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provisions of Section 2.03 of the Facilities Lease, or deleted due to prepayment pursuant to the provisions of Section 7.02 of the Facilities Lease, or (e) if the Trustee first obtains the written consent of the Purchaser to such supplement, amendment, modification or termination.

- (c) No supplement, amendment, modification or termination of the Facilities Lease or Site Lease shall be entered into unless an Opinion of Counsel is delivered to the effect that such amendment, modification or termination is (a) authorized and permitted by the Trust Agreement, Facilities Lease or Site Lease, (b) is enforceable against the Authority and the County, (c) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, and (d) does not adversely impact the tax-exempt status of the interest on the Bonds.
- (d) The Trustee shall not be obligated to consent to any amendment that adversely impacts its rights.

SECTION 6.10 Leasehold Estate. The Authority will be, on the date of the delivery of the Bonds, the owner and lawfully possessed of the leasehold estate described in the Site Lease, and the Facilities Lease will be, on the date of delivery of the Bonds, a valid subsisting demise for the term therein set forth of the property which it purports to demise. At the time of the delivery of the Bonds, the County will be the owner in fee simple of the premises described in the Site Lease, the Site Lease will be lawfully made by the County and the covenants contained in the Site Lease on the part of the County will be valid and binding. At the time of the delivery of the Bonds, the Authority will have good right, full power and lawful authority to lease said leasehold estate, in the manner and form provided in the Facilities Lease, and the Facilities Lease will be duly and regularly executed.

Without allowance for any days of grace which may or might exist or be allowed by law or granted pursuant to any terms or conditions of the Facilities Lease, the Authority will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Facilities Lease to be kept, performed and complied with by it. The Authority will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for declaring a forfeiture of the Facilities Lease, or would or might be a ground for cancellation or termination of the Facilities Lease by the lessee thereunder. The Authority will promptly deposit with the Trustee (to be held by the Trustee until the title and rights of the Trustee under this Trust Agreement shall be released or reconvened) any and all documentary evidence received by it showing compliance with the provisions of the Facilities Lease to be performed by the Authority. The Authority, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Facilities Lease, or the leasehold estate thereby

created, which may or can in any manner affect the estate of the lessor or of the Authority in or under the Facilities Lease, will deliver the same, or a copy thereof, to the Trustee.

# SECTION 6.11 <u>Intentionally Left Blank</u>.

## ARTICLE VII

## EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 <u>Events of Default and Acceleration of Maturities</u>. If one or more of the following events (herein called "events of default") shall happen, that is to say:

- (a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;
- (b) if default shall be made by the Authority in the due and punctual payment of the principal or premium, including, without limitation, any Breakage Fee, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for mandatory redemption;
- (c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such default shall have continued for a period of sixty (60) days or (or if the Authority notifies the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an event of default if the Authority commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time);
- (d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or
- (e) if an Event of Default has occurred under Section 6.01 of the Facilities Lease; or
- (f) if an Event of Default has occurred under the Continuing Covenant Agreement;

then and in each and every such case during the continuance of such event of default the Trustee may, with the consent of the Purchaser, or, at the direction of the Purchaser, institute legal proceedings pursuant to Section 7.03 hereof. In addition, in the event of a default described in Section 7.01(a) or (b) hereof, the Trustee, upon the written request of the Purchaser shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding and the

interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Bondholders by first class mail of any such event of default which is continuing of which a Responsible Officer has actual knowledge or written notice.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Authority shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration and premium, if any, with interest at the rate borne by such Bonds on such overdue interest and principal and premium, if any, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee or the Purchaser, by written notice to the Authority and to the Trustee, may on behalf of the Bondholders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Notwithstanding anything to the contrary herein, under no circumstances may the Authority or the Trustee accelerate the payment of Base Rental under the Facilities Lease.

SECTION 7.02 <u>Application of Funds Upon Acceleration</u>. All moneys in the accounts and funds provided in Sections 3.01, 3.02, 5.02, 5.03 and 5.04 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 and all Revenues (other than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

<u>First</u>, to the payment of the reasonable fees, costs and expenses of the Trustee in providing for the declaration of such event of default and carrying out its duties under this Trust Agreement, including reasonable compensation to their accountants and counsel together with interest on any amounts advanced as provided herein and thereafter to the payment of the reasonable costs and expenses of the Bondholders, if any, in carrying out the provisions of this Article, including reasonable compensation to their accountants and counsel;

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, and premium, including, without limitation, the Breakage Fee, if any, with (to the extent permitted by law) interest on the overdue interest and principal and premium at the rate borne by such Bonds, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and premium, including, without limitation, the Breakage Fee, if any, and (to the extent permitted by law) interest on overdue interest and principal and premium, including, without limitation, the

Breakage Fee, if any, without preference or priority among such interest, principal and premium and interest on overdue interest and principal and premium ratably to the aggregate of such interest, principal and premium and interest on overdue interest and principal and premium; and

<u>Third</u>, to the payment of the Purchaser and the other Bondholders of all amounts due under the Continuing Covenant Agreement and not otherwise paid hereunder.

SECTION 7.03 <u>Institution of Legal Proceedings by Trustee</u>. If one or more of the events of default shall happen and be continuing, the Trustee may, with the consent of the Purchaser, and upon the written request of the Purchaser, shall, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Trust Agreement and under Article VI of the Facilities Lease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

SECTION 7.04 Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Bondholders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues as provided herein pledged for such payment, or shall affect or impair the right of such Bondholders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Bondholder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bondholders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bondholders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Bondholder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.06 [Bondholders' Direction of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Purchaser or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, but only with the prior written consent of the Purchaser, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnifying the Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, and that the Trustee shall have the right to decline to follow any such direction that in the reasonable opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.]

Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01; (b) the Purchaser shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Bondholder of Bonds of any remedy hereunder; it being understood and intended that no one or more Bondholders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders of the Outstanding Bonds.

## ARTICLE VIII

## THE TRUSTEE

SECTION 8.01 The Trustee. Wells Fargo Bank, National Association shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and obligations provided herein. Any such corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or in part, or any corporation or association resulting from any such merger, conversion, sale, transfer or consolidation to which it shall be a party, shall be and become successor Trustee without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties.

The Authority, unless there exists any Event of Default as defined in Section 7.01, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least five hundred million dollars (\$500,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving a (30) day written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall dispose of such Bonds in a manner deemed appropriate by it. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any Event of Default (that has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

SECTION 8.02 <u>Liability of Trustee</u>. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct as finally determined by a court of competent jurisdiction.

The Trustee shall not be bound to recognize any person as the Bondholder of a Bond unless and until such Bond is submitted for inspection, if required, and such Bondholder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Purchaser in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement. The Trustee may refuse to follow any direction that conflicts with law or the Trust Agreement, is unduly prejudicial to the rights of other Bondholders, or would involve the Trustee in personal liability.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of this Trust Agreement unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the reasonable costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Bondholders for the payment of the interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to the Trust Agreement upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the Bondholder of any Bond shall be conclusive and binding upon all future Bondholders and upon Bonds executed an delivered in exchange therefore or in place thereof.

The Trustee shall not be deemed to have knowledge of any event of default (except payment defaults) unless and until a Responsible Officer shall have actual knowledge thereof or a Responsible Officer of the Trustee shall have received written notice thereof at its Principal Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver selected by it with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this

Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

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

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Facilities Lease, the Site Lease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or County of the Facilities or the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Facilities Lease, the Site Lease or this Trust Agreement for the existence, furnishing or use of the Facilities or the Project.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Authority or the County), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Before taking any action or refraining from taking any action, the Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including costs incurred in defending itself against any and all charges claims, complaints, allegations, assertations or demands of any nature whatsoever, except liability which is adjudicated to be a direct result of the Trustee's negligence or willful misconduct in connection with any such action.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority or a Certificate of the County, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

The Trustee is not responsible for the content of any disclosure material prepared in connection with the Bonds.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence.

SECTION 8.03 Compensation and Indemnification of Trustee. The Authority covenants to pay (but solely from Additional Payments) to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee, in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the reasonable expenses and disbursements of their counsel (including the allocated reasonable fees and disbursements of inhouse counsel) and of all persons not regularly in their employ) except any such expense, disbursement or advance as may arise from the Trustee's negligence or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damage, liability or expense incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with the acceptance or administration of the trusts created hereby, including reasonable costs and expenses (including reasonable attorneys' fees and disbursements) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.03 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

## ARTICLE IX

## AMENDMENT OF THE TRUST AGREEMENT

# SECTION 9.01 <u>Amendment of the Trust Agreement.</u>

(a) This Trust Agreement and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consent of the Purchaser are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the

Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the County without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

- (b) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption but without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes:
  - (i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;
  - (ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary; and
  - (iii) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939.
- (c) The Trustee shall not be obligated to enter into any Amendment that adversely impacts its rights.
- (d) No amendment shall be entered into unless an Opinion of Counsel is delivered to the effect that such amendment (a) is authorized and permitted by the Trust Agreement, (b) is enforceable against the Authority and the County, (c) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, and (d) does not adversely impact the taxexempt status of the interest on the Bonds.
- SECTION 9.02 <u>Disqualified Bonds</u>. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or

any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

SECTION 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Bondholder of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Bondholder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Bondholder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 9.04 Notice to and Consent of Bondholders. Bondholders is required under the terms of this Trust Agreement for the amendment of this Trust Agreement or for any other similar purpose, the Authority shall cause notice of the proposed amendment to be given by first-class mail to the Owners of the Outstanding Bonds then shown on the registration books for the Bonds. Such notice shall briefly set forth the nature of the proposed amendment or other action and shall state that copies of any such amendment are on file at the office of the Authority and the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of the requisite principal amount of the Bonds Outstanding by instruments filed with the Authority shall have consented to the amendment or other proposed action, then the Authority may adopt or execute, as appropriate, such amendment or take such proposed action and the consent of the Bondholders shall thereby be conclusively presumed. Such instruments filed with the Authority may include documents, including Certificates of the Authority, stating that Owners of Bonds have consented to an amendment by purchasing such Bonds if the disclosure document related to such purchase disclosed that the purchase of the Bonds was deemed to mean that the Owners consented to the amendment.

SECTION 9.05 <u>Amendment by Mutual Consent.</u> The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

## ARTICLE X

## **DEFEASANCE**

## SECTION 10.01 [Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all or any portion of the Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facilities Lease and the Continuing Covenant Agreement, then the Bondholders of

such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due hereunder and under the Facilities Lease.

- Any Outstanding Bonds shall prior to the maturity date or redemption date (b) thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 4.05, (2) there shall have been deposited with the Trustee (A) cash in an amount which shall be sufficient and/or (B) noncallable Government Securities, the interest on and principal of which when paid will provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.
- (c) In the event of an advance refunding (i) the Authority shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date or redemption date ("Verification") (which Verification shall verify the mathematical accuracy of the computations relating to the adequacy of cash plus Government Securities to be held in escrow to pay debt service requirements (principal, interest and redemption price, including premium, to the applicable redemption or maturity dates) when due on the Bonds to be refunded), (ii) the escrow agreement shall provide that no (A) substitution of a Government Security shall be permitted except with another Government Security and upon delivery of a new Verification and (B) reinvestment of a Government Security shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an Opinion of Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Trust Agreement; each Verification and opinion shall be addressed to the Authority and the Trustee.

SECTION 10.02 <u>Unclaimed Money</u>. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such

Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds.]

## ARTICLE XI

## **MISCELLANEOUS**

SECTION 11.01 <u>Liability of Authority Limited to Revenues</u>. Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source other than the Revenues as provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

SECTION 11.02 <u>Benefits of this Trust Agreement Limited to Parties and Third Party Beneficiaries</u>. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Trustee, and the Bondholders any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Authority or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Authority, the Trustee and the Bondholders.

SECTION 11.03 Successor Is Deemed Included in All References to Predecessor. Whenever herein either the Authority or any member, officer or employee thereof or of the State is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the Project that are presently vested in the Authority or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.04 Execution of Documents by Bondholders. Any declaration, request or other instrument which is permitted or required herein to be executed by Bondholders may be in one or more instruments of similar tenor and may be executed by Bondholders in person or by their attorneys appointed in writing. The fact and date of the execution by any Bondholder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Bondholder of any Bond shall bind all future Bondholders of such Bond with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

SECTION 11.05 <u>Waiver of Personal Liability</u>. No member, officer or employee of the Authority or the County shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

#### SECTION 11.06 Intentionally Left Blank.

SECTION 11.07 Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 11.08 <u>Business Day.</u> When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 11.09 <u>Notices</u>. All written notices to be given hereunder shall be given by mail to the party entitled thereto at the addresses set forth below, or at such other addresses as such parties may provide to the other party in writing from time to time, namely:

If to the Authority: County of Contra Costa Public Financing Authority

c/o County Administrator County of Contra Costa

County Administration Building

651 Pine Street

Martinez, California 94553

If to the Trustee: Wells Fargo Bank, National Association

333 Market Street, 18<sup>th</sup> Floor San Francisco, CA 94105

Attention: Corporate Trust Services

If to the County: County of Contra Costa

c/o Clerk of the Board of Supervisors

County of Contra Costa

County Administration Building

651 Pine Street

Martinez, California 94553

SECTION 11.10 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.11 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.12 <u>Governing Law</u>. This Trust Agreement shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 11.13 <u>Execution in Several Counterparts</u>. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY has caused this Trust Agreement to be signed in its name by its Chair and attested by its Secretary, and WELLS FARGO BANK, NATIONAL ASSOCIATION., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

	COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
	By:Federal D. Glover Chair of the Board of Directors
Attest:	
By:	
	WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee
	By:Authorized Officer
Acknowledged	
COUNTY OF CONTRA COSTA	
By: David J. Twa County Administrator and Clerk of the Board of Supervisors	

#### EXHIBIT A

#### FORM OF 2017 SERIES A BOND

No
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND CAPITAL PROJECTS), 2017 SERIES A
NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY OF CONTRA COSTA IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OF CONTRA COSTA OR THE CONTRA COSTA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.
Interest Rate Dated Date CUSIP
REGISTERED OWNER: CEDE & CO.
PRINCIPAL SUM: DOLLARS
The COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the fifteenth calendar day of the month preceding an interest payment date, or unless this Bond is authenticated on or before [, 2017], in which event it shall bear interest from the Dated Date specified above, payable on June 1, 2017, and semiannually thereafter on each June 1 and

December 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that

upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee (defined hereinafter) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds to an account within the United States of America. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the Principal Office of the Trustee. Capitalized terms used herein and not otherwise defined herein have the meanings ascribed thereto in the Trust Agreement.

The Bonds are issued to provide funds to finance and refinance the acquisition, installation, implementation and construction of certain capital projects of the County, and related costs and expenses, located in the County of Contra Costa (as more fully defined in the Trust Agreement, the "Project") and to provide funds to refund certain outstanding lease revenue bonds of the Authority. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the "Revenues") derived from Base Rental Payments and other payments made by the County of Contra Costa (the "County"), and all interest or other investment income thereon, pursuant to the Facilities Lease, dated as of [March] 1, 2017 (as amended from time to time, the "Facilities Lease"), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge and assignment of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal (or premium, if any) of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and

supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption prior to maturity on the dates, at the redemption prices, and upon such notice as set forth in the Trust Agreement.

If an Event of Default (as defined in the Trust Agreement) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the Purchaser or by the Trustee.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned Principal Office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

In the event of any conflict or inconsistency between the terms and provisions of the Bond and the terms and provisions of the Trust Agreement, the terms and provisions of the Trust Agreement shall control.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

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

IN WITNESS WHEREOF, the County of Contra Costa Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the Dated Date specified above.

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY  By:		
FINANCING AUTHORITY	Countersigned:	•
		By:

#### FORM OF CERTIFICATE OF AUTHENTICATION TO APPEAR ON 2017 SERIES A BONDS

	ent
WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee	
By:Authorized Signatory	

#### [DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

# [FORM OF ASSIGNMENT TO APPEAR ON 2017 SERIES A BONDS]

For value	e received the undersigned hereby sells, assigns and transfers unto
	(Taxpayer Identification Number:)
the within Bond and a	Il rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books
kept for registration there	eof, with full power of substitution in the premises.
	•
	NOTE: The signature to this Assignment must correspond with the name as written on the face of
	the Bond in every particular, without alteration or enlargement or any change whatever.
Dated:	
	AL SECURITY NUMBER, TAXPAYER IDENTIFICATION
NUMBER OR OTHER 1	IDENTIFYING NUMBER OF ASSIGNEE:
Signature Guaranteed:	
	NOTE: Signature must be guaranteed by
	an eligible guarantor institution.

# EXHIBIT B

# FORM OF REQUISITION – PROJECT FUND

Date:,	, 20
	No
Wells Fargo Bank, National Association 1700 Lincoln Street, 10 <sup>th</sup> Floor Denver, CO 80203 Attention: Corporate Trust Services	
Re: County of Contra Costa Public Financing Authori <u>Lease Revenue Bonds (Refunding and Capital Pro</u> (Written Request of the County - 2017 Series A P	ojects), 2017 Series A
Ladies and Gentlemen:	
This letter is our authorization to you to a Account within the Project Fund provided for in Section [March] 1, 2017 (the "Trust Agreement") between the C Authority (the "Authority") and Wells Fargo Bank, Nati indicated on Schedule A attached hereto to the therein-nator the payment of project costs relating to the completion defined in the Trust Agreement).	3.02 of the Trust Agreement dated as of County of Contra Costa Public Financing ional Association, as trustee, the amount amed individuals, firms and corporations
The obligations in the stated amount have item thereof is a proper charge against the 2017 Series Fund. There has not been filed with or served upon the Cattachment upon, or claim affecting the right to receive to any of the persons named herein below, which has n simultaneously with the payment of such obligation, or liens accruing by mere operation of law.	s A Project Account within the Project County notice of any lien, right to lien or payment of, any of the moneys payable not been released or will not be released
If checked here you are hereby author Account within the Project Fund and transfer any renamounts indicated in Schedule A) to the Revenue Fund.	•
Very truly y	ours,
COUNTY	OF CONTRA COSTA
By	
	Authorized Officer

### SCHEDULE A

Item			
No.	Payee	Amount	Purpose
		\$	

# EXHIBIT C

## FORM OF REQUISITION – COSTS OF ISSUANCE

### SCHEDULE A

Item			
No.	Payee	Amount	Purpose
		\$	

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIXON PEABODY LLP 300 South Grand Avenue, Suite 4100 Los Angeles, California 90071 Attention: Charles C. Wolf, Esq.

#### **FACILITIES LEASE**

by and between

#### COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

and the

#### **COUNTY OF CONTRA COSTA**

Related to
\$[\_\_\_\_]
County of Contra Costa Public Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects)
2017 Series A

Dated as of [March] 1, 2017

This transaction is exempt from filing fees pursuant to California Government Code Section 6103 and transfer taxes pursuant to California Revenue and Taxation Code Section 11928

## TABLE OF CONTENTS

		Page
ARTICLE I DEFINITIONS		2
SECTION 1.01.	Definitions	2
ARTICLE II LEASE OF FA	CILITIES; TERM	4
SECTION 2.01.	Lease of Facilities	4
SECTION 2.02.	Term; Occupancy; and Release of Existing Facilities	
SECTION 2.03.	Substitution; Release; Addition of Property	
ARTICLE III RENTAL PAY	MENTS; USE OF PROCEEDS	7
SECTION 3.01.	Base Rental Payments	7
SECTION 3.02.	Additional Payments	7
SECTION 3.03.	Fair Rental Value	9
SECTION 3.04.	Payment Provisions	9
SECTION 3.05.	Appropriations Covenant	10
SECTION 3.06.	Rental Abatement	11
SECTION 3.07.	Use of Proceeds	11
SECTION 3.08.	Net Proceeds	12
ARTICLE IV MAINTENAN	ICE; ALTERATIONS AND ADDITIONS	13
SECTION 4.01.	Maintenance and Utilities	13
SECTION 4.02.	Changes to the Facilities	13
SECTION 4.03.	Installation of County's Equipment	13
ARTICLE V INSURANCE.		14
SECTION 5.01.	Fire and Extended Coverage Insurance	14
SECTION 5.02.	Liability Insurance	
SECTION 5.03.	Rental Interruption or Use and Occupancy Insurance	16
SECTION 5.04.	Worker's Compensation	
SECTION 5.05.	Title Insurance	17
SECTION 5.06.	Insurance Proceeds; Form of Policies	17
SECTION 5.07.	Annual Certificates	17
ARTICLE VI DEFAULTS A	AND REMEDIES	18
SECTION 6.01.	Defaults and Remedies	18
SECTION 6.02.	Waiver	
	OMAIN; PREPAYMENT	
SECTION 7.01.	Eminent Domain	
SECTION 7.01.	Prepayment	
SECTION 7.02. SECTION 7.03.	Option to Purchase; Sale of Personal Property	
ARTICLE VIII COVENANT	ΓS	
SECTION 8.01.	Right of Entry	
SECTION 8.02.	Liens	24

# TABLE OF CONTENTS (continued)

			Page
SECTI	ON 8.03.	Quiet Enjoyment	25
SECTI	ON 8.04.	Authority Not Liable	
SECTI	ON 8.05.	Assignment by the Authority	25
SECTI	ON 8.06.	Assignment and Subleasing by the County	25
SECTI	ON 8.07.	Title to Facilities	26
SECTI	ON 8.08.	Tax Covenants	26
SECTI	ON 8.09.	Reserved	26
SECTI	ON 8.10.	Taxes	
	ON 8.11.	Authority's Purpose	
	ON 8.12.	Purpose of Facilities Lease	
	ON 8.13.	Essential Use	
SECTI	ON 8.14.	Nondiscrimination	27
		R OF WARRANTIES; VENDOR'S WARRANTIES; USE	
OF THE FAC	ILITIES		28
SECTI	ON 9.01.	Disclaimer of Warranties	28
SECTI	ON 9.02.	Vendor's Warranties	
SECTI	ON 9.03.	Use of the Facilities	28
ARTICLE X I	MISCELLAN	EOUS	29
SECTI	ON 10.01.	Law Governing	29
	ON 10.02.	Notices	
SECTI	ON 10.03.	Validity and Severability	
SECTI	ON 10.04.	Net-Net-Net Lease	
SECTI	ON 10.05.	Section Headings	30
SECTI	ON 10.06.	Amendment or Termination	30
SECTI	ON 10.07.	Execution	
SECTI	ON 10.08.	Third-Party Beneficiary	31
EXHIBIT A	Description	of the Facilities	A-1
EXHIBIT B	-	Payment Schedule	
EXHIBIT C		S	
EXHIBIT D		ects	
EXHIBIT E		lget Certificate	
EXHIBIT F	Form of Insu	urance Certificate	F-1

#### FACILITIES LEASE

This Facilities Lease, dated as of [March] 1, 2017, by and between the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY (the "Authority"), a joint exercise powers authority duly organized and existing under and by virtue of the laws of the State of California, as sublessor, and the COUNTY OF CONTRA COSTA (the "County"), a body corporate and politic and a political subdivision of the State of California, as sublessee;

#### WITNESSETH:

WHEREAS, the Authority, at the request of the County, is refunding all of its outstanding Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds"), and its Lease Revenue Bonds (Capital Projects Program), 2009 Series A (the "2009 Series A Bonds," and together with the 2007 Refunded Bonds, the "Refunded Bonds");

WHEREAS, the County has determined to finance and refinance the construction, renovation and acquisition of various capital projects of the County as set forth in Exhibit D hereto, as the same may be changed from time to time (the "Capital Projects");

WHEREAS, the Authority intends to assist the County in financing and refinancing the Capital Projects and refunding the Refunded Bonds by issuing the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds"), pursuant to the Trust Agreement dated as of March 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee;

WHEREAS, the County will lease to the Authority certain capital assets of the County (as further defined herein, the "Facilities") pursuant to a Site Lease, dated as of [March] 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Site Lease"), between County and the Authority;

WHEREAS, the County will lease back the Facilities from the Authority pursuant to the terms of this Facilities Lease; and

WHEREAS, under this Facilities Lease, the County will be obligated to make Base Rental Payments and Additional Payments (each as defined herein) to the Authority for the lease of the Facilities and such other facilities as may from time to time be leased hereunder;

WHEREAS, the Authority has assigned the Base Rental Payments and the Additional Payments to be made hereunder to the Trustee pursuant to the Trust Agreement for purposes of payment of the Bonds and all obligations due and owing the Purchaser or any Bondholder under the Continuing Covenant Agreement dated as of [March] 1, 2017 (the "Continuing Covenant Agreement"), among the County, the Authority and Wells Fargo Bank, National Association, as initial purchaser of the Bonds;

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

#### ARTICLE I

#### **DEFINITIONS**

- SECTION 1.01. <u>Definitions</u>. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Facilities Lease, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement.
- "Additional Payments" means all amounts payable to the Authority, the Purchaser or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 hereof.
- "Architects" means the architects, engineers or designers of the Capital Projects or any portion thereof, and any successor or successors to any thereof.
- "Authority" means the County of Contra Costa Public Financing Authority, acting as sublessor hereunder and any surviving, resulting or transferee entity.
- "Base Rental" and "Base Rental Payments" means all amounts payable to the Authority from the County as Base Rental Payments pursuant to Section 3.01 hereof.
- "Base Rental Payment Schedule" means the schedule of Base Rental Payments payable to the Authority from the County pursuant to Section 3.01 hereof and attached hereto as Exhibit B.
  - "Bonds" has the meaning set forth in the recitals.
- "Capital Projects" means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of the 2017 Project, as set forth in Exhibit D hereto, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed or refinanced by a portion of the proceeds of the Bonds.
- "Code" means the Internal Revenue Code of 1986, as the same shall be hereafter amended, and any regulations heretofore issued or which shall be hereafter issued by the United States Department of the Treasury thereunder.
- "Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of [March] 1, 2017, among the County, the Authority and the Purchaser, as it may from time to time be amended, supplemented, modified or restated pursuant to the provisions thereof.
- "Contractors" means the construction contractor for any portion of the Capital Projects and any successor or successors to any thereof.

"County" means the County of Contra Costa, California, a body corporate and politic and a political subdivision of the State of California.

"**Default Rate**" has the meaning set forth in the Continuing Covenant Agreement.

"Event of Default" shall have the meaning specified in Section 6.01 hereof.

"Facilities" shall mean the real property and the improvements thereon as described in Exhibit A hereto, or any County buildings, other improvements and facilities, added thereto or substituted therefor, or any portion thereof, in accordance with this Facilities Lease and the Trust Agreement.

"Facilities Lease" means this Facilities Lease, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

"Insurance Consultant" means an individual or firm retained by the County as an independent insurance consultant, with experience in the field of risk management.

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

"**Purchaser**" has the meaning set forth in the Continuing Covenant Agreement.

"Refunded Bonds" means (i) the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A, (ii) the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Medical Center Refunding), 2007 Series B and (iii) the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects Program), 2009 Series A. The 2007 Series A Bonds and the 2007 Series B Bonds were issued pursuant to a trust agreement, dated as of February 1, 1999 (the "1999 Trust Agreement"), as supplemented and amended, by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and the 2009 Series A Bonds were issued pursuant to a trust agreement, dated as of June 1, 2009 (the "2009 Trust Agreement"), by and between the Authority and the Trustee.

"Rental Payment Period" means the twelve month period commencing June 1 of each year and ending the following May 31, and the initial period commencing on the effective date hereof and ending the following May 31.

"**Taxable Rate**" means, for each day from and after the Taxable Date, the product of (i) the interest rate on interest component of Base Rental Payments for such day and (ii) 1.54.

["Taxable Rate Factor" means, for each day that the Taxable Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.]

"Trust Agreement" means the Trust Agreement, dated as of [March] 1, 2017, by and between the Trustee and the Authority and acknowledged by the County, as originally executed or as it may from time to time be supplemented, modified or amended by a Supplemental Trust Agreement entered into pursuant to the provisions thereof.

"2017 Project" means the: (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo, and payment of any costs associated with financing of said projects, as set forth in Exhibit D hereto, as the same may be changed from time to time, in accordance with Section 3.07 hereof, by a Certificate of the County delivered to the Trustee.

#### **ARTICLE II**

#### LEASE OF FACILITIES; TERM

SECTION 2.01. <u>Lease of Facilities</u>. The Authority hereby leases to the County and the County hereby leases from the Authority the Facilities, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Facilities Lease, as defined in Section 2.02 hereof. The County hereby agrees and covenants during the term of this Facilities Lease that, except as hereinafter provided, it will use the Facilities for public and County purposes so as to afford the public the benefits contemplated by this Facilities Lease.

SECTION 2.02. Term; Occupancy; and Release of Existing Facilities. The term of this Facilities Lease shall commence on the date of recordation of this Facilities Lease in the office of the County Recorder of Contra Costa County, State of California, or on [March 3], 2017, whichever is earlier, and shall end for the respective Facilities on the dates specified in Exhibit C hereto, unless such term is extended or sooner terminated as hereinafter provided. If on such dates, the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, or any amount remains due and owing with respect to the Bonds or under the Continuing Covenant Agreement, shall not be fully paid, or if the rental payable hereunder with respect to such Facility shall have been abated at any time and for any reason, then the term of this Facilities Lease with respect to such Facility shall be extended until the Base Rental Payments and Additional Payments attributable to such Facility and all other amounts then due hereunder with respect to such Facility shall be fully paid, except that the term of this Facilities Lease as to the respective Facility shall in no event be extended beyond ten (10) years after the date identified with respect thereto. If prior to such date, all Base Rental Payments and all Additional Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, and all amounts due and owing with respect to the Bonds and under the Continuing Covenant Agreement, shall be fully paid, or provision therefor made, the term of this Facilities Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier; [provided that with respect to any provision for payment being made whether by

defeasance or otherwise, this Facilities Lease shall remain outstanding for federal tax purposes until the actual payment in full of all principal and interest on the Bonds.]

Upon the expiration of the term of this Facilities Lease with respect to a particular Facility pursuant to the preceding paragraph, the respective Facility shall be released from this Facilities Lease without compliance with the release requirements set forth in Section 2.03 [below; provided that no Facility shall be released from this Facilities Lease (i) if, after giving effect to the release of such Facility, a Default or Event of Default would occur hereunder, under the Trust Agreement or under the Continuing Covenant Agreement, (ii) unless the County has delivered a certificate to the Purchaser and the Trustee demonstrating that the fair rental value of the remaining Facilities for each Base Rental Period is at least equal to the maximum Lease Payments to be made under the Facilities Lease in each such Rental Payment Period, (iii) if any material litigation or environmental issues exist with respect to the remaining Facilities and (iv) if any event giving rise to an abatement of Base Rental Payments shall have occurred and be continuing.]

SECTION 2.03. <u>Substitution; Release; Addition of Property</u>. The County and the Authority may add, substitute or release real property as part of the Facilities, but only after the County shall have filed with the Authority and the Trustee and the Purchaser all of the following:

- (a) Executed copies of the Facilities Lease or amendments thereto containing the amended description of the Facilities.
- (b) A Certificate of the County with copies of the Facilities Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.
- (c) A Certificate of the County, supported by expert knowledge (which may be that of the Real Estate Manager of the County) or construction cost information evidencing that the fair market value or the insured value of the Facilities that will constitute the Facilities after such addition, substitution or release will be at least equal to the aggregate outstanding principal amount of the Base Rental Payments and the amount of any Additional Payments then determinable after such addition, substitution or release, and that the annual fair rental value of the Facilities after such addition, substitution or release will be at least equal to the maximum annual Base Rental Payments coming due and payable hereunder after such addition, substitution or release, and that the useful life of such Facilities will at least extend to the final Base Rental Payment date.
- (d) In connection with any addition or substitution of property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies subject only to Permitted Encumbrances resulting in title insurance with respect to the Facilities after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding at the time of substitution or addition of Facilities.

- (e) A Certificate of the County stating that (i) such addition, substitution or release does not adversely affect the County's use and occupancy of the Facilities (as such term will be defined following the addition, substitution or release) and (ii) no Default or Event of Default has occurred and is continuing hereunder, under the Trust Agreement or under the Continuing Covenant Agreement.
- In connection with any substitution or release of property, (i) a Certificate of the County stating that the substitution or release will not cause the County to violate its covenants, representations and warranties hereunder, under the Trust Agreement or the Continuing Covenant Agreement and (ii) the prior written consent of the Purchaser to such substitution or release of property and (iii) an appraisal or other written documentation prepared by a mutually agreeable third party that establishes that the fair market value of the property which remains subject to the Facilities Lease and the Site Lease following such substitution or release is at least equal to the aggregate outstanding principal amount of the Base Rental Payments and Additional Payments which are determinable, and the fair rental value of the Facilities which remains subject to this Facilities Lease and the Site Lease following such removal is at least equal to the Base Rental Payments and the amount of any Additional Payments then determinable thereafter coming due and payable under the Facilities Lease, (iv) no Default or Event of Default shall have occurred and be continuing hereunder, under the Trust Agreement or under the Continuing Covenant Agreement and (v) no event giving rise to an abatement of Base Rental Payments shall have occurred or be continuing with respect to this Facilities Lease or any Facility.
- (g) In connection with any substitution of property, a Certificate of the County stating that the Facility to be added is of approximately the same or greater degree of essentiality to the County as the Facility being replaced.
- (h) In connection with the addition of property, a Certificate of the County stating that the Facility to be added is an essential facility of the County.
- (i) An Opinion of Counsel stating that such amendment or modification of the Site Lease and the Facilities Lease and the substitution, release or addition of property (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and this Facilities Lease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iii) will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.
- (j) The Purchaser shall have received environmental questionnaires, surveys and/or studies with respect to substitution or addition of property, and other documents that the Purchaser may reasonably require; *provided*, *however*, that if the environmental studies have recommended that remedial action be taken with respect to the substitute or additional property so that it will be in compliance with applicable environmental laws, the Authority, at the direction of the Purchaser, does not have an obligation or duty to accept the substitute or additional property until such time as the remedial action has been completed and the Purchaser has received assurances to its satisfaction that the substitute or additional property is in compliance with applicable environmental laws.

(k) The Purchaser shall have received confirmation that the substitute or additional property is not located in a 100 year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency.

#### **ARTICLE III**

#### RENTAL PAYMENTS; USE OF PROCEEDS

SECTION 3.01. Base Rental Payments. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Facilities (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Facilities Lease) annual rental payments with principal and interest components, the interest components being payable semi-annually, in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. The County is hereby directed to pay all such Base Rental Payments directly to the Trustee for application as provided in the Trust Agreement. Base Rental Payments shall be calculated on an annual basis, for each Rental Payment Period, and each annual Base Rental shall be divided into two interest components, due on December 1 and June 1, and one principal component, due on June 1, except that the first Rental Payment Period commences on the date of recordation of this Facilities Lease and ends on May 31, 20[17]. Each Base Rental Payment installment shall be payable on the third Business Day immediately preceding its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities.

If the term of this Facilities Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on December 1 and June 1 in each year, and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Facilities Lease. Upon such extension of this Facilities Lease, the Purchaser shall deliver to the Trustee and the County a Certificate satisfactory to the County setting forth the extended rental payment schedule, which schedule shall establish the principal and interest components of the Base Rental Payments so that the principal components will in the aggregate be sufficient to pay all unpaid principal components with interest components sufficient to pay all unpaid interest components plus interest.

If at any time the Base Rental shall not have been paid by the County when due, for any reason whatsoever, and no other source of funds shall have been available to make the payments of principal and interest on the Bonds, the principal and interest components of the Base Rental shall be recalculated by the Purchaser in a manner satisfactory to the County to reflect interest on the unpaid Base Rental Payments at the Default Rate. Upon request by the Authority or the Trustee, a revised Exhibit B to this Facilities Lease in form and substance satisfactory to the County shall be prepared by the Purchaser and supplied to the Authority, the County and the Trustee reflecting such recalculation.

SECTION 3.02. <u>Additional Payments</u>. The County shall also pay such amounts as shall be required by the Authority or the Purchaser, as applicable, for the payment of all costs

and expenses incurred by the Authority or the Purchaser in connection with the execution, performance or enforcement by the Authority or the County, as applicable, of this Facilities Lease, or any pledge of Base Rental payable hereunder, the Trust Agreement, the Continuing Covenant Agreement (to the extent not otherwise payable from Revenues), its interest in the Facilities and the lease of the Facilities to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Facilities, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement and all obligations due and owing the Purchaser or any other Bondholder under the Continuing Covenant Agreement[; but not including any Additional Payments amounts required to pay the principal of or interest on the Bonds.]

Such Additional Payments shall be billed to the County by the Authority, the Purchaser or such other applicable Bondholder or the Trustee from time to time, together, if applicable, with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the County, the Authority or the Trustee for such items. Amounts so billed shall be paid by the County to the billing party within 30 days after receipt of the bill by the County. The County reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the County to make full and timely payment for all Additional Payments.

The Authority has issued and may in the future issue bonds and has entered into and may in the future enter into leases to finance capital improvements other than the Capital Project. The administrative costs of the Authority shall be allocated among the facilities subject to such other lease agreements and the Facilities, as hereinafter in this paragraph provided. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Facilities shall be included in the Additional Payments payable hereunder. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Facilities, shall not be included in the administrative costs of the Facilities and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular lease of the Authority shall be equitably allocated among all such leases, including this Facilities Lease, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the County Administrator or the County Finance Director, or a duly authorized representative of the County, endorsed thereon, in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses related to the lease of the Facilities.

[Other than the principal and interest on the Bonds payable from Base Rental Payments hereunder, the amounts payable to the Purchaser and the other Bondholders under the Continuing Covenant Agreement constitute Additional Payments under this Section 3.02 that the County shall pay to the Authority or the Trustee for payment to the Purchaser or to the Purchaser directly at the time and in the amounts due pursuant to the Continuing Covenant Agreement.]

SECTION 3.03. <u>Fair Rental Value</u>. The payments of Base Rental Payments and Additional Payments for each Rental Payment Period during the term of this Facilities Lease shall constitute the total rental for said Rental Payment Period and shall be paid by the County in each Rental Payment Period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the Facilities during each such Rental Payment Period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each Rental Payment Period does not exceed the fair rental value of the Facilities for each such period.

In making such determination, consideration has been given to the value of the Facilities, costs of acquisition, design, construction and financing of the Facilities, other obligations of the parties under this Facilities Lease, the uses and purposes which may be served by the Facilities and the benefits therefrom which will accrue to the County and the general public.

SECTION 3.04. Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America in immediately available funds to the Trustee or as otherwise designated by the Purchaser. Any such installment of Base Rental Payments or Additional Payments accruing hereunder which shall not be paid when due and payable under the terms of this Facilities Lease shall bear interest at the Default Rate or such lesser rate of interest as may be permitted by law, from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Authority and the County, the County shall make all Base Rental Payments and Additional Payments when due without deduction or offset of any kind and shall not withhold any Base Rental Payments or Additional Payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said Base Rental Payments and Additional Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination. Amounts required to be paid by the County to the Purchaser pursuant to this Section on any date shall be reduced to the extent that amounts on deposit in the Revenue Fund, the Interest Account or the Principal Account are available therefor. The interest component of Base Rental Payments shall initially be calculated based upon the Interest Rate and thereafter shall automatically and immediately be adjusted from time to time (and Exhibit B hereto shall be revised by the Purchaser or deemed to be revised to correspond with such adjustments) as follows:

- (i) from and after any Taxable Date, the interest component of Base Rental Payments shall automatically and immediately be increased to bear interest at the Taxable Rate (which interest component may be further increased to account for the Default Rate upon an Event of Default); and
- (ii) upon the occurrence of an Event of Default, the interest component of Base Rental Payments shall automatically and immediately be increased to

bear interest at equal the Default Rate (which interest component may be further increased to account for the Taxable Rate from and after any Taxable Date).

If any rental payment date or other date specified herein for payment of any Base Rental Payment hereunder shall not be a Business Day, such payment may made on the next succeeding Business Day but interest shall continue to accrue on such amount until the payment in full of such amount.

With respect to any adjustments to the interest component of Base Rental Payment provided for in this Section 3.04, the Purchaser may provide a revised Exhibit B to reflect the new interest component based on the adjustments to the applicable interest rate. Notwithstanding the foregoing, all increases to the interest component described in this Section 3.04 shall immediately and automatically become effective regardless of whether any such revision to Exhibit B is provided by the Purchaser.

All payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Rental is subject to abatement as provided in Section 3.06.

Nothing contained in this Facilities Lease shall prevent the County from making from time to time contributions or advances to the Authority for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Facilities in the event of damage to or the destruction of the Facilities.

SECTION 3.05. Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments as shall be required to provide funds in such year for such Base Rental Payments and Additional Payments. The County will deliver to the Authority, the Purchaser and the Trustee within sixty (60) days of adoption of the final County budget a Certificate of the County (in the form set forth in Exhibit E attached hereto) stating that the budget as adopted appropriates all moneys necessary for the payment of Base Rental Payments and Additional Payments hereunder. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the County.

The County covenants that in the event that any rentals paid by the County hereunder are insufficient to pay when due any Base Lease Rentals or Additional Rentals payable hereunder (including any amounts due under the Continuing Covenant Agreement), the County shall take

all actions as are necessary to budget and appropriate all such Base Rental Payments and Additional Payments (including amounts due under the Continuing Covenant Agreement) in a supplemental or amendatory budget, in order to make all necessary additional appropriations to pay all such amounts when due. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the County

The Authority and the County understand and intend that the obligation of the County to pay Base Rental Payments and Additional Payments hereunder shall constitute a current expense of the County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the County, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the County. Base Rental Payments and Additional Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise legally available for the purpose of paying Base Rental Payments and Additional Payments or other payments due hereunder as consideration for use of the Facilities. [This Facilities Lease shall not create an immediate indebtedness for any aggregate payments which may become due hereunder in the event that the term of the Facilities Lease is continued.] The County has not pledged the full faith and credit of the County, the State of California or any agency or department thereof to the payment of the Base Rental Payments and Additional Payments or any other payments due hereunder.

SECTION 3.06. Rental Abatement. The Base Rental Payments and Additional Payments shall be abated during any period in which by reason of any damage or destruction (other than by condemnation which is hereinafter provided for) there is substantial interference with the use and occupancy of the Facilities by the County, to the extent the Base Rental Payments and Additional Payments exceed the fair rental value for the use and occupancy of that portion of the Facilities that has not been rendered unusable as reasonably determined by the County. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial restoration of use or completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Facilities Lease shall continue in full force and effect and the County waives any right to terminate this Facilities Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, the Base Rental Payments are not subject to abatement to the extent that rental interruption insurance proceeds are available to pay Base Rental Payments which would otherwise be abated under this Section 3.06, it being hereby declared that such amounts constitute special funds for the payment of the Base Rental Payments.

SECTION 3.07. <u>Use of Proceeds</u>. The parties hereto agree that the proceeds of the Bonds will be used to finance or refinance the Capital Projects, to refund the Refunded Bonds and to pay the costs of issuing the Bonds and incidental and related expenses.

The County hereby agrees to construct the Capital Projects from the proceeds of the Bonds provided for such purpose to the County by the Authority in consideration for the leasehold interest in the real property comprising the Facilities. The Authority and the County agree that the Capital Projects will be constructed in accordance with the plans and specifications prepared by the designers of the Capital Projects and approved by the County.

The County may alter the 2017 Project or issue change orders altering the construction contract plans and specifications during the course of construction, and the Authority agrees to cooperate fully with the County to cause such alterations or change orders to be implemented. Failure of the County to complete the 2017 Project shall not cause an abatement of Base Rental or Additional Payments hereunder.

SECTION 3.08. <u>Net Proceeds</u>. If any of the Facilities are taken in eminent domain proceedings at any time during the term of this Facilities Lease, or if any of the Facilities are damaged due to an insured casualty which is covered by insurance, the County shall as soon as practicable after such event, with the prior written consent of the Purchaser, apply the Net Proceeds resulting therefrom to one of the following:

- (a) repair and restore such Facilities to full use in accordance with the provisions of the Trust Agreement;
- (b) replace such Facilities, [at the County's sole cost and expense,] with property of equal or greater value to such Facilities immediately prior to the time of such destruction or damage, such replacement Facilities to be subject to Section 2.03 hereof, whereupon such replacement shall be substituted in this Facilities Lease;
- (c) substitute additional property as provided in Section 2.03; or
- (d) prepay the Base Rental Payments and as Additional Rental any amounts due and owing under the Continuing Covenant Agreement, including without limitation, any Breakage Fee under and as defined in the Continuing Covenant Agreement in accordance with Section 7.02.

The County will notify the Authority and the Purchaser of which course of action it has elected to take within a reasonable time not to exceed 60 days after the occurrence of such eminent domain proceedings or such destruction or damage. Such repair, replacement, substitution or prepayment shall commence not later than 60 days after the occurrence of such taking, destruction or damage and be pursued diligently to completion. The Authority may (but is not required to) in its own name or in the County's name execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and the County hereby grants to the Authority a power of attorney coupled with an interest to accomplish all or any of the foregoing.

Notwithstanding anything in this Section 3.08 to the contrary, the Purchaser shall grant its consent to the repair and restoration or replacement of the Facilities to full use if the County shall demonstrate to the reasonable satisfaction of the Purchaser that the Net Proceeds, together with any other lawfully available funds of the County to be used for such repair and restoration, are sufficient to pay for the costs of such repair and restoration in full.

#### **ARTICLE IV**

#### MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01. Maintenance and Utilities. During such time as the County is in possession of the Facilities, all maintenance and repair, both ordinary and extraordinary, of the Facilities shall be the responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the Facilities in first class condition, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Facilities resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Facilities. In exchange for the rental herein provided, the Authority agrees to provide only the Facilities.

SECTION 4.02. Changes to the Facilities. Subject to Section 8.02 hereof, the County shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements to the Facilities. All such additions, modifications and improvements shall thereafter comprise part of the Facilities and be subject to the provisions of this Facilities Lease. Such additions, modifications and improvements shall not in any way damage the Facilities or cause them to be used for purposes other than those authorized under the provisions of state and federal law; and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Facilities immediately prior to the making of such additions, modifications and improvements and the fair rental value of the Facilities in the then current and all succeeding Rental Payment Periods will not be less than Base Rental Payments and Additional Payments due in any such Rental Payment Period.

SECTION 4.03. <u>Installation of County's Equipment</u>. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Facilities. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Facilities resulting from the installation, modification or removal of any such items. Nothing in this Facilities Lease shall prevent the County from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facilities.

#### ARTICLE V

#### **INSURANCE**

SECTION 5.01. Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Facilities Lease, insurance against loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and earthquake insurance, if available on the open market from reputable insurance companies at a reasonable cost. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, flood, riot and riot attending a strike, aircraft, vehicle damage, hail, smoke and such other hazards as are normally covered by such insurance, including earthquake coverage if such coverage is available at commercially reasonable cost from a reputable insurer in the reasonable determination of the County. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable the County to prepay all or any part of the Base Rental Payments then unpaid, pursuant to Section 7.02 hereof and to redeem outstanding Bonds.

If at any time and for so long as any part of the Facilities is located in a 100 year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of casualty insurance provided under this Section 5.01 shall include insurance against loss or damage to the Facilities due to flooding. If the County obtains an exception or waiver from Federal Emergency Management Agency to the designation of the Facilities as being within a 100 year flood area, the County shall not be required to provide such flood insurance.

The Authority and the County shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the Facilities are damaged or destroyed as a result of an earthquake occurring at any time.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Facilities Lease, The County shall provide the Purchaser, the Authority and the Trustee with a Certificate of the County setting forth the details of such self insurance method or plan maintained by the County and such self insurance method or plan shall comply with the following terms:

- (i) the self insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County);
- (ii) the self insurance program shall include an actuarially sound claims reserve fund out of which each self insured claim and any deductible amount required under any insurance policy provided pursuant to this Section 5.01 shall be paid;
- (iii) there shall be filed annually with the Trustee, the Authority and the Purchaser a statement of an actuary, insurance consultantthe Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford, the reserving methods and practices employed in establishing and maintaining the substitute method or plan are appropriate, and the substitute method or plan affords reasonable coverage for the risks required to be insured against. There;
- (iv) the claims reserve fund shall also be filed a Certificate of the County setting forth the details of such substitute method or plan. Inbe held in a separate fund by the County;
- (v) in the event of loss covered by any such self insurance method, the liability of the County hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method the self insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above..

SECTION 5.02. <u>Liability Insurance</u>. Except as hereinafter provided, the County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Facilities Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facilities, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Facilities Lease, The County shall provide the Purchaser, the Authority and the Trustee with a Certificate of the County setting forth the details of such self insurance method or plan maintained by the County and such self insurance method or plan shall comply with the following terms:

- (i) the self insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County);
- (ii) the self insurance program shall include an actuarially sound claims reserve fund out of which each self insured claim and any deductible amount required under any insurance policy provided pursuant to this Section 5.02 shall be paid;
- (iii) there shall be filed annually with the Trustee, the Authority and the Purchaser a statement of an actuary, independent insurance consultant the Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the County setting forth the details of such, the reserving methods and practices employed in establishing and maintaining the substitute method or plan are appropriate, and the substitute method or plan affords reasonable coverage for the risks required to be insured against;
  - (iv) the claims reserve fund shall be held in a separate fund by the County;
- (v) in the event the self insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above..

SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount at least equal to the maximum Base Rental Payments coming due and payable during any future 24 month period (determined by the County), except that such insurance may be subject to a deductible clause of not to exceed two hundred and fifty thousand dollars (\$250,000) or a comparable amount adjusted for inflation (or more in the case of earthquake coverage), and with the additional exception that with respect to coverage for terrorism related loss, the period may be only one year, provided that the County use its best efforts to obtain such coverage for a period of at least two years assuming it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Facilities Lease attributable to such structure for a period of time during which the payment of rental under this Facilities Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Trust Agreement. The County shall not be entitled to self-insure for rental interruption insurance.

SECTION 5.04. <u>Worker's Compensation</u>. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of

California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

SECTION 5.05. <u>Title Insurance</u>. The County shall obtain, for the benefit of the Authority, upon the execution and delivery of this Facilities Lease, title insurance on the Facilities insuring (a) the fee interest of the County in Facilities, (b) the Authority's leasehold estate in the Facilities under the Site Lease and (c) the County's sub-leasehold estate hereunder in the Leased Property, naming the Trustee as the insured, with such endorsements as reasonably required by the Purchaser, in an amount equal to the aggregate principal amount of the Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

SECTION 5.06. <u>Insurance Proceeds</u>; <u>Form of Policies</u>. All policies of insurance required by Sections 5.01 and 5.03 hereof shall name the County, the Authority, the Purchaser and the Trustee each as insured and shall contain a lender's loss payable endorsement in favor of the Trustee and the Purchaser substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall, to the extent practicable, collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. All policies of insurance required by this Facilities Lease shall provide that the Trustee and the Purchaser shall be given thirty (30) days notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County. The County shall pay when due the premiums for all insurance policies required by this Facilities Lease.

SECTION 5.07. Annual Certificates. The County will deliver to the Authority, the Purchaser and the Trustee on or before September 15 in each year a written Certificate of an officer of the County (in the form set forth in Exhibit F attached hereto) stating whether such policies satisfy the requirements of this Facilities Lease, setting forth the insurance policies then in force pursuant to this Article, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an actuary, independent insurance consultant or other qualified person containing the information required for such self-insurance program and described in Sections 5.01, 5.02 and 5.04. Delivery to the Trustee of the certificate under the provisions of this Section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the Trustee, the County shall also deliver to the Trustee certificates or duplicate originals or certified copies of each insurance policy described in such schedule.

Any policies of insurance provided by a commercial insurer to satisfy the requirements of Sections 5.01, 5.02 or 5.03 hereof shall be provided by a commercial insurer rated in one of the two highest rating categories by S&P and by Moody's.

#### ARTICLE VI

#### **DEFAULTS AND REMEDIES**

SECTION 6.01. <u>Defaults and Remedies</u>. (a) If the County shall fail (i) to pay any Base Rental Payment or Additional Payments payable hereunder when the same becomes due, time being expressly declared to be of the essence of this Facilities Lease or fail to maintain any insurance specified in Article V or (ii) keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County for a period of sixty (60) days after notice of the same has been given to the County by the Authority, the Purchaser or the Trustee or for such additional time as is reasonably required, in the sole discretion of the Authority, with the prior written approval of the Purchaser to correct the same, or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the County shall be deemed to be in default hereunder and it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Facilities Lease. Upon any such default, the Authority or its assignee, with the written consent of the Purchaser, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

To terminate this Facilities Lease in the manner hereinafter provided on account of default by the County, notwithstanding any re-entry or re-letting of the Facilities as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Facilities and remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and place such personal property in storage in any warehouse or other suitable place located within the County of Contra Costa, California, at the expense of the County. In the event of such termination, the County agrees to surrender immediately possession of the Facilities, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the County, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Facilities given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Facilities nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Facilities Lease shall of itself operate to terminate this Facilities Lease, and no termination of this Facilities Lease on account of default by the County shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the County of the election on the part of the Authority to terminate this Facilities Lease. The County covenants and agrees that no surrender of the Facilities or of the remainder of the term hereof or any termination of this Facilities Lease shall be valid in

any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

Without terminating this Facilities Lease, (i) to collect each (2) installment of rent as it becomes due and enforce any other terms or provision hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Facilities, or (ii) to exercise any and all rights of entry and re-entry upon the Facilities. In the event the Authority does not elect to terminate this Facilities Lease in the manner provided for in subparagraph (1) hereof, the County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and, if the Facilities are not re-let, to pay the full amount of the rent to the end of the term of this Facilities Lease or, in the event that the Facilities are relet, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such entry or re-entry or obtaining possession of the Facilities. Should the Authority elect to enter or re-enter as herein provided, the County hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the County to re-let the Facilities, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and to place such personal property in storage in any warehouse or other suitable place located in the County of Contra Costa, California, for, to the extent permitted by law, the account of and at the expense of the County, and the County, to the extent permitted by law, hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of the Authority to re-let the Facilities and to do all other acts to maintain or preserve the Facilities as the Authority deems necessary or desirable in the event of such re-entry without effecting a surrender of this Facilities Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Facilities Lease irrespective of the use or the term for which such reletting 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 County the right to terminate this Facilities Lease shall vest in the Authority to be effected in the sole and exclusive manner provided for in sub-paragraph (1) hereof The County further waives the right to any rental obtained by the Authority in excess of the rental herein specified and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Facilities or any part thereof The County further agrees, to the extent permitted by law, to pay the Authority the reasonable cost of any alterations or additions to the Facilities necessary to place the Facilities in condition for re-letting

immediately upon notice to the County of the completion and installation of such additions or alterations.

The County hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Facilities as herein provided and all claims for damages that may result from the destruction of or injury to the Facilities and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Facilities.

- (b) If (1) the County's interest in this Facilities Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as hereinafter provided for, or (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects 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 County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County shall make a general or any assignment for the benefit of the County's creditors, or (3) the County shall abandon or vacate the Facilities, (4) any representation or warranty made by the County herein proves to have been false, incorrect, misleading or breached in any material respect on the date when made, or (5) the County shall receive notice from the Purchaser that an "Event of Default" has occurred under the Continuing Covenant Agreement, then the County shall be deemed to be in default hereunder.
- (c) The Authority shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the County to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the County shall be entitled to pursue any remedy provided by law.
- (d) In addition to the other remedies set forth in this Section, upon the occurrence of an Event of Default, the Authority or its assignee, with the written consent of the Purchaser, shall be entitled to proceed to protect and enforce the rights vested in the Authority by this Facilities Lease or by law. The provisions of this Facilities Lease and the duties of the County and of its trustees, officers or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority or its assignee, with the written consent of the Purchaser, shall have the right to bring the following actions:

- (1) Accounting. By action or suit in equity to require the County and its trustees, officers and employees and its assigns to account as the trustee of an express trust.
- (2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.
- (3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided herein.
- (4) Acceleration. To declare the Bonds due and payable and apply available funds in accordance with Section. 7.02 of the Trust Agreement.

The exercise of any rights or remedies under this Facilities Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the Facilities. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority or its assignee shall prevail in any action brought to enforce any of the terms and provisions of this Facilities Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority or its assignee in attempting to enforce any of the remedies available to the Authority hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment. Notwithstanding anything herein to the contrary, the termination of this Facilities Lease by the Authority on account of a default by the County under this Section shall not effect or result in a termination of the lease of the Facilities by the County to the Authority pursuant to the Site Lease.

SECTION 6.02. Waiver. Failure of the Authority or its assignee to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority or its assignee to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Facilities Lease.

#### **ARTICLE VII**

## **EMINENT DOMAIN; PREPAYMENT**

SECTION 7.01. Eminent Domain. If the whole of the Facilities or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of this Facilities Lease shall cease as of the day that possession shall be so taken. If less than the whole of the Facilities shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then this Facilities Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal and interest on the Outstanding Bonds will be reduced by the application of the award in eminent domain to the redemption of outstanding Bonds. So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking the Facilities or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02 and to the payment of any amounts owing under the Continuing Covenant Agreement and any Additional Payments. Any such award made after all of the Base Rental Payments and Additional Payments and payment of any amounts owing under the Continuing Covenant Agreement have been fully paid, or provision therefor made, shall be paid to the to the County.

SECTION 7.02. Prepayment. (a) The County shall prepay on any date from insurance (including proceeds of title insurance) and eminent domain proceeds, to the extent provided in Sections 3.08 and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the Facilities caused by perils covered by insurance, if in the judgment of the Authority and the Purchaser the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, such proceeds shall be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, pursuant to the procedure set forth in Section 3.08 for proceeds of insurance), all or any part of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date (taking into account the reduction in Base Rental allocable to future interest on the Bonds that are redeemed), at a prepayment amount equal to the redemption payment of the maximum amount of Bonds, including the principal thereof and the interest thereon to the date of redemption, plus any applicable premium redeemable from such proceeds owing pursuant to the Trust Agreement or the Continuing Covenant Agreement, including without limitation, any Breakage Fee under and as defined in the Continuing Covenant Agreement.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Trust Agreement sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided that the County furnishes the Trustee with an Opinion of Counsel that such deposit will not cause interest on the Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such

prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

- (c) Before making any prepayment pursuant to this article, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority, the Purchaser and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.
- When (1) there shall have been deposited with the Trustee at or prior to (d) the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal, premium, if any, and interest on the Bonds to the due date of the Bonds or date when the County may exercise its option to purchase the Facilities, as the case may be; (2) all requirements of Section 10.01 of the Trust Agreement have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid, then and in that event the right, title and interest of the Authority herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Authority and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental Payments or option price) and the Authority's interest in and title to the Facilities or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee.

SECTION 7.03. Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Authority's interest in any part of Facilities upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments contained in Section 1.01 of the Trust Agreement (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Facilities Lease of the part of the total rent hereunder attributable to such part of the Facilities (determined by reference to the proportion which the cost of such part of the Facilities bears to the cost of all of the Facilities). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the

principal of the Bonds and interest on the Bonds and to redeem Bonds if such Bonds are subject to redemption pursuant to the terms of the Trust Agreement. Upon the making of such payment to the Trustee and the satisfaction of all requirements set forth in Section 10.01 of the Trust Agreement, (a) the Base Rental thereafter payable under this Facilities Lease shall be reduced by the amount thereof attributable to such part of the Facilities and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Facilities Lease shall not thereafter be applicable to such part of the Facilities, (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Facilities Lease need not be maintained as to such part of the Facilities, and (d) title to such part of the Facilities shall vest in the County and the term of this Facilities Lease shall end as to such Facilities.

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facilities, and to release said personal property from this Facilities Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Facilities, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of this Facilities Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the Facilities leased hereunder. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Facilities Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

#### **ARTICLE VIII**

#### **COVENANTS**

SECTION 8.01. <u>Right of Entry</u>. The Authority and its assignees shall have the right to enter upon and to examine and inspect the Facilities during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the County's rights or obligations under this Facilities Lease, and (c) for all other lawful purposes.

SECTION 8.02. <u>Liens</u>. [Neither the County nor the Authority shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to any portion of the Facilities, other than the respective rights of the Authority and the Purchaser as provided herein and Permitted Encumbrances.] In the event the County shall at any time during the term of this Facilities Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Facilities, the County shall pay, when due, all sums of money that may

become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Facilities and shall keep the Facilities free of any and all mechanics' or materialmen's liens or other liens against the Facilities or the Authority's interest therein. In the event any such lien attaches to or is filed against the Facilities or the Authority's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee and the Purchaser and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Facilities or the Authority's interest therein.

SECTION 8.03. <u>Quiet Enjoyment</u>. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Facilities Lease peaceably and quietly have, hold and enjoy the Facilities without suit, trouble or hindrance from the Authority.

SECTION 8.04. <u>Authority Not Liable</u>. The Authority and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and any assignees and their respective members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05. <u>Assignment by the Authority</u>. The Authority's rights under this Facilities Lease, including the right to receive and enforce payment of the Base Rental Payments to be made by the County hereunder, have been pledged and assigned to the Trustee for the benefit of the Bondholders pursuant to the Trust Agreement, to which pledge and assignment the County hereby consents.

SECTION 8.06. Assignment and Subleasing by the County. Neither this Facilities Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority and the Purchaser, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Bonds. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.07. <u>Title to Facilities</u>. During the term of this Facilities Lease, the Authority shall hold a leasehold estate to the Facilities and any and all additions which comprise fixtures, repairs, replacement or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the Facilities, and except for any items added to the Facilities by the County pursuant to Section 4.02 hereof. This provision shall not operate to the benefit of any insurance company if there is rental interruption covered by insurance pursuant to Section 5.03 hereof.

Upon the termination or expiration of this Facilities Lease upon payment in full of the Base Rental Payments attributed to the Facilities and all amounts owing on the Bonds, the Authority's interest in the title to the Facilities shall vest in the County and the Authority shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of the Facilities by the County and to clarify the title of the County on the record thereof.

SECTION 8.08. <u>Tax Covenants</u>. (a) The County and the Authority shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Authority and the County covenant that they will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein.

- (b) If at any time the County or the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Authority under this Facilities Lease or the Trust Agreement, the County or the Authority shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.
- (c) In furtherance of the covenants of the County and the Authority set forth above, the County will comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority and the Trustee for any actions taken by the Authority or the Trustee in accordance with such instructions.
- (d) The covenant of the County and the Authority herein shall survive payment in full or defeasance of the Bonds.

#### SECTION 8.09. Reserved.

SECTION 8.10. <u>Taxes</u>. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Facilities or the respective interests or estates therein; provided that with respect to special assessments or other

governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Facilities Lease as and when the same become due. The County waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Authority for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the Facilities, the rentals and other payments required hereunder or any parts thereof or interests of the County or the Authority or the Trustee therein by any governmental authority.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Facilities will be materially endangered or the Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

SECTION 8.11. <u>Authority's Purpose</u>. The Authority covenants that, prior to the discharge of this Facilities Lease, it will not engage in any activities inconsistent with the purposes for which the Authority is organized.

SECTION 8.12. <u>Purpose of Facilities Lease</u>. The County covenants that during the term of this Facilities Lease, except as hereinafter provided, (a) it will use, or cause the use of, the Facilities for public purposes and for the purposes for which the Facilities are customarily used, (b) it will not vacate or abandon the Facilities or any part thereof, and (c) it will not make any use of the Facilities which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof

SECTION 8.13. <u>Essential Use</u>. The Facilities are essential to the proper, efficient and economic operation of the County and serve an essential governmental function of the County.

SECTION 8.14. <u>Nondiscrimination</u>. The County herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all person claiming under or through itself, and this Facilities Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or groups of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California

Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the County, or any person claiming under or through the County, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

#### **ARTICLE IX**

## DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE FACILITIES

SECTION 9.01. <u>Disclaimer of Warranties</u>. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITIES OR THE PROJECT OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE FACILITIES OR THE PROJECT OR A DEALER THEREIN, THAT THE COUNTY LEASES THE FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facilities Lease or the Project or the existence, furnishing, functioning or the County's use of any item or products or services provided for in this Facilities Lease.

SECTION 9.02. <u>Vendor's Warranties</u>. The Authority hereby irrevocably appoints the County its agent and attorney-in-fact during the term of this Facilities Lease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Authority may have against the manufacturers, vendors and contractors of the Facilities. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the Facilities, and the Project, as applicable, and not against the Authority, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority with respect to this Facilities Lease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor with respect to the Facilities and the Project.

SECTION 9.03. <u>Use of the Facilities</u>. The County will not install, use, operate or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Facilities Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the Facilities. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Facilities) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, however, that the County 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 Authority, adversely affect the estate of the Authority in and to the Facilities or its interest or rights under this Facilities Lease.

#### ARTICLE X

#### **MISCELLANEOUS**

SECTION 10.01. Law Governing. This Facilities Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid:

> If to the County: County of Contra Costa

c/o Clerk of the Board of Supervisors County Administration Building 651 Pine Street Martinez, CA 94553

cc: County of Contra Costa

> c/o County Finance Director 651 Pine Street, 10th Floor Martinez, CA 94553

With respect to insurance matters:

County of Contra Costa c/o Risk Manager Risk Management Department 2530 Arnold Drive Martinez, CA 94553

County of Contra Costa cc:

> General Service Administration 1220 Morello Avenue, Suite 100

Martinez, CA 94553

cc: County of Contra Costa

c/o County Finance Director 651 Pine Street, 10th Floor

Martinez, CA 94553

If to the Authority: County of Contra Costa Public

Financing Authority c/o County Administrator

**County Administration Building** 

651 Pine Street Martinez, CA 94553

If to the Trustee: Wells Fargo Bank, National Association

Attn: Corporate Trust Services 333 Market Street, 18th Floor San Francisco, CA 94103

If to the Purchaser: Wells Fargo Bank, National Association

100 W. Washington Street, 20<sup>th</sup> Floor

Phoenix, AZ 85003

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03. <u>Validity and Severability</u>. If for any reason this Facilities Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Facilities Lease is and shall be deemed to be a lease under which the rentals are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the Facilities, and all of the rental and other terms, provisions and conditions of this Facilities Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04. <u>Net-Net Lease</u>. This Facilities Lease shall be deemed and construed to be a "net-net-net lease" and the County hereby agrees that the rentals provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05. <u>Section Headings</u>. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Facilities Lease.

SECTION 10.06. <u>Amendment or Termination</u>. The Authority and the County may at any time agree to the amendment, supplement or termination of this Facilities Lease and the Site Lease; provided, however, that the Authority and the County agree and recognize that this Facilities Lease and the Site Lease are entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Trust Agreement and with the prior written consent of the Purchaser; *provided however*, that no such amendment or supplement shall

extend the payment date of any Base Rental Payment, without the consent of each Bondholder so affected.

SECTION 10.07. <u>Execution</u>. This Facilities Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Facilities Lease. It is also agreed that separate counterparts of this Facilities Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

SECTION 10.08. <u>Third-Party Beneficiary</u>. The Purchaser is hereby designated as third party-beneficiary hereunder solely for the purposes of enforcing any rights granted to the Purchaser hereunder and not with to respect to any rights of occupancy.

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

	COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, as Sublessor
	By:Federal D. Glover
	Federal D. Glover Chair of the Board of Directors
Attest:	
By:	
David J. Twa Executive Director and Secretary of the Board of Directors	
	COUNTY OF CONTRA COSTA, as Sublessee
	Ву:
	Federal D. Glover Chair of the Board of Supervisors
Attest:	
Ву:	
David J. Twa	
Clerk of the Board of Supervisors and County Administrator	

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CA	ALIFORNIA	
COUNTY OF	CONTRA COSTA	
On	, 2017, before me,	, a
Notary Public,	personally appeared	,
subscribed to the in his/her/their	me on the basis of satisfactory evidence to be the he within instrument and acknowledged to me tha authorized capacity(ies), and that by his/her/their or the entity upon behalf of which the person(s) act	the/she/they executed the same r signature(s) on the instrument
•	PENALTY OF PERJURY under the laws of t graph is true and correct.	the State of California that the
WITNESS my	name and official seal.	
[Affix seal here	÷]	
	C: amatuma af	Notomy Dublic
	Signature of	Notary Public

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALI	FORNIA	
COUNTY OF CO	NTRA COSTA	
On Notary Public, pe	, 2017, before me,	
who proved to me subscribed to the in his/her/their au	e on the basis of satisfactory eventhin instrument and acknow thorized capacity(ies), and that	vidence to be the person(s) whose name(s) is/are ledged to me that he/she/they executed the same at by his/her/their signature(s) on the instrument the person(s) acted, executed the instrument.
	ENALTY OF PERJURY und ph is true and correct.	ler the laws of the State of California that the
WITNESS my nai	me and official seal.	
[Affix seal here]		
		Signature of Notary Public

## **EXHIBIT A**

## **Description of the Facilities**

All that certain real property situated in the County of Contra Costa, State of California, described as follows:

## EXHIBIT B

## **Base Rental Payment Schedule**

## **Aggregate of all Facilities**

Base Rental				
Payment Date*	Principal	Interest	Total	Fiscal Year Total

Payment Date*	Principal	Interest	Total	Fiscal Year Total
Total	Ф.	ф	Ф	
Total:	\$	\$	\$	\$

<sup>\*</sup> Payable three Business Days before due date.

		[] Building		
Base Rental Payment Date*	Principal	Interest	Total	Fiscal Year Total

Total: \$ \$ \$

<sup>\*</sup> Payable three Business Days before due date.

		[] Facility		
Base Rental Payment Date*	Principal	Interest	Total	Fiscal Year Total

Total: \$ \$ \$

<sup>\*</sup> Payable three Business Days before due date.

[]	<b>Building</b>
----	-----------------

Base Rental
Payment Date\* Principal Interest Total Fiscal Year Total

Base Rental Payment Date*	Principal	Interest	Total	Fiscal Year Total
Total:	\$	\$	\$	\$

<sup>\*</sup> Payable three Business Days before due date.

## **EXHIBIT C**

## **Lease Terms**

Facility Term Maximum Extension

## EXHIBIT D

## **Capital Projects**

"Capital Projects" means various public capital improvements and projects, including, but not limited to: (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo.

## **EXHIBIT E**

## **Form of Budget Certificate**

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A

Certificate of Final Annual Bud	iget for the Period/_	_20 tnrougn/20
The undersigned, as an Author "County"), hereby certifies that the feperiod with respect to the annual appr Payments, as required in Section 3.05 between the County of Contra Costa Pu	ollowing have been but opriations for all Base of of the Facilities Lease	Rental Payments and Additional e, dated as of [March] 1, 2017,
	2017 Series A	Total Budgeted
Base Rental Payment		
Additional Payment		
	COUNTY OF	CONTRA COSTA
	Ву:	uthorized Representative
	A	urnorizea kepresentative

## EXHIBIT F

## Form of Insurance Certificate

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A

Annual Insurance Certificate for the Period \_\_/\_\_20\_\_ through \_\_/\_\_20\_\_

The undersigned, as an Authorized Representative of the County of Contra Costa (the
"County"), hereby certifies that the insurance requirements as set forth in Section 5.07 of the
Facilities Lease, dated as of [March] 1, 2017, between the County of Contra Costa Public
Financing Authority and the County have been satisfied as evidenced by the attached list of
insurance policies, names of insurers issuing such policies, the property covered and the amount
of coverage.

COUNTY OF CONTRA COSTA
By:Authorized Representative

## [Attach List of Insurance Coverage]

# CERTIFICATE OF ACCEPTANCE (Government Code Section 27281)

This is to certify that the interest in real property conveyed by the foregoing Facilities Lease from the County of Contra Costa Public Financing Authority to the County of Contra Costa, a political subdivision of the State of California (the "County"), is hereby accepted by order of the Board of Supervisors of the County of Contra Costa on February 14, 2017, and the County consents to recordation thereof by its duly authorized officer.

COUNTY OF CONTRA COSTA, as Sublessee

By:

Federal D. Glover
Chair, Board of Supervisors
County of Contra Costa, State of California

Attest:

By:

David J. Twa
Clerk of the Board of Supervisors and
County Administrator

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALI		
COUNTY OF CO	NTRA COSTA	
Notary Public, powho proved to me subscribed to the in his/her/their au	ersonally appearede on the basis of satisfactory e within instrument and acknow thorized capacity(ies), and the	vidence to be the person(s) whose name(s) is/are reledged to me that he/she/they executed the same at by his/her/their signature(s) on the instrument the person(s) acted, executed the instrument.
•	ENALTY OF PERJURY und ph is true and correct.	der the laws of the State of California that the
WITNESS my na	me and official seal.	
[Affix seal here]		
		Signature of Notary Public

# RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIXON PEABODY LLP 300 South Grand Avenue, Suite 4100 Los Angeles, California 90071 Attention: Charles C. Wolf, Esq.

## SITE LEASE

by and between the

#### **COUNTY OF CONTRA COSTA**

and the

### COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

Related to
\$[\_\_\_\_]
County of Contra Costa Public Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects)
2017 Series A

Dated as of [March] 1, 2017

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

## TABLE OF CONTENTS

		Page
SECTION 1.	Lease of Facilities	2
SECTION 2.	Term	2
SECTION 3.	Rental	2
SECTION 4.	Purpose	3
SECTION 5.	Environmental Law and Regulations	3
SECTION 6.	Environmental Compliance	4
SECTION 7.	Owner in Fee	5
SECTION 8.	Assignments and Subleases	6
SECTION 9.	Right of Entry; Easements	6
SECTION 10.	Termination	6
SECTION 11.	Default	6
SECTION 12.	Quiet Enjoyment	7
SECTION 13.	Waiver of Personal Liability	7
SECTION 14.	Taxes	8
SECTION 15.	Eminent Domain	8
SECTION 16.	Nondiscrimination	8
SECTION 17.	Partial Invalidity	9
SECTION 18.	Notices	9
SECTION 19.	Section Headings	9
SECTION 20.	Amendment	9
SECTION 21.	Definitions	9
SECTION 22.	Execution	9
EXHIBIT A	Description of Facilities	A-1
EXHIBIT B	Lease Terms	B-1

#### SITE LEASE

This Site Lease, dated as of [March] 1, 2017 (this "Site Lease"), by and between the COUNTY OF CONTRA COSTA, a political subdivision organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Amended and Restated Joint Exercise of Powers Agreement" by and between the County of Contra Costa and the Contra Costa County Flood Control and Water Conservation District (the "District"), as lessee;

## WITNESSETH:

WHEREAS, the County has determined that it is in its best interests to finance and refinance certain capital improvements for the County;

WHEREAS, the Authority has agreed to issue \$[\_\_\_\_] principal amount of its Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds"), pursuant to a Trust Agreement, dated as of [March] 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Trust Agreement") by and between the Authority and Wells Fargo Bank, National Association, as trustee (together with any successor thereto, the "Trustee"), for the purpose of financing and refinancing certain capital improvements for the County (the "Capital Projects") refunding the Refunded Bonds which were issued to finance certain capital improvements for the County and paying certain costs of issuance with respect to the issuance of the Bonds;

WHEREAS, the County, pursuant hereto, will lease certain Facilities (as hereinafter defined) of the County to the Authority and the Authority will use the proceeds of the Bonds to pay to the County the rental due hereunder for the Facilities, and the County will use the proceeds of the Bonds to refund, defease and redeem the Refunded Bonds and to make deposits to the Project Fund and the Costs of Issuance Fund, as established in the Trust Agreement;

WHEREAS, the Authority will lease back the Facilities to the County pursuant to the Facilities Lease, dated as of [March] 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Facilities Lease"), between the Authority, as lessor, and the County, as lessee; and

WHEREAS, under the Facilities Lease, the County will be obligated to make base rental payments to the Authority for the lease of the Facilities and the Authority will pledge such base rental payments to the Trustee for payments of the Bonds (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto in the Facilities Lease or the Trust Agreement, as applicable);

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

#### SECTION 1. Lease of Facilities

The County hereby leases to the Authority and the Authority hereby leases from the County, on the terms and conditions hereinafter set forth, the real property situated in the County of Contra Costa, State of California, together with the improvements thereon, as described in Exhibit A attached hereto and made a part hereof, and any additional real property added thereto by any supplement or amendment hereto, or any real property substituted for all or any portion of such property in accordance with this Site Lease and the Trust Agreement (the "Facilities"); subject, however, to Permitted Encumbrances. No merger shall be effected by the County's lease of the Facilities to the Authority under this Site Lease, and the Authority's sublease of the Facilities back to the County under the Facilities Lease.

#### SECTION 2. Term

The term of this Site Lease as to the Facilities shall commence on the date of recordation of this Site Lease in the office of the County Recorder of the County of Contra Costa, State of California, or on [March 3], 2017 whichever is earlier, and shall end on the respective dates identified in Exhibit B hereto, as applicable to the related Facility, unless such term is extended or sooner terminated as hereinafter provided. If on such dates the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall not be fully paid or any amount remains due and owing with respect to the Bonds or under the Continuing Covenant Agreement, or if the rental or other amounts payable under the Facilities Lease with respect to such Facility shall have been abated at any time and for any reason, then the term of this Site Lease with respect to such Facility shall be extended until ten (10) days after the Base Rental Payments and Additional Payments attributable to such Facility and all other amounts then due under the Facilities Lease with respect to such Facility, and all amount remains due and owing with respect to the Bonds and under the Continuing Covenant Agreement, shall be fully paid except that the term of this Site Lease as to the respective Facility shall in no event be extended beyond ten (10) years after the date identified with respect thereto. If prior to such date the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall be fully paid, the term of this Site Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

#### SECTION 3. Rental

The Authority shall pay to the County from the proceeds of the Bonds as and for rental hereunder an amount, not less than \$[\_\_\_\_], which amount the County finds and determines is full and fair rental for the Facilities on the date hereof and which amount the County further agrees will be deposited in the Project Fund, the Revenue Fund for the 2009 Bonds and the Escrow Fund for the 2007 Bonds as set forth in the Trust Agreement and applied along with other proceeds of the Bonds to finance or refinance the Capital Projects.

## SECTION 4. <u>Purpose</u>

The Authority shall use the Facilities solely for the purpose of leasing the Facilities to the County pursuant to the Facilities Lease and for such purposes as may be incidental thereto; provided, that in the event of an Event of Default by the County under the Facilities Lease, the Authority may exercise the remedies provided in the Facilities Lease.

### SECTION 5. <u>Environmental Law and Regulations</u>

(a) Definitions used in this Section 5 and in Section 6.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

"Asbestos Operations and Maintenance Plan" shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Facilities.

"Environmental Regulations" shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1251, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA"), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, "TSCA"), the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651 et seq.) (together with regulations promulgated thereunder, "OSHA") and any similar federal, state or local laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Hazardous Materials" shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as characterized, regulated or defined in CERCLA, RCRA, CWA, CAA, TSCA, OSHA and Title III, and the regulations promulgated pursuant thereto, and in any other Environmental Regulations applicable to the County, any of the Facilities or the business operations conducted by the County therein.

"Laws and Regulations" shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning,

building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities.

- (b) No portion of the Facilities is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Facilities.
- (c) The County has not received any notice from any insurance company which has issued a policy with respect to the Facilities or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facilities. The County has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting the Facilities which is to be performed or complied with by it.

#### SECTION 6. Environmental Compliance

- Neither the County nor the Authority shall use or permit the Facilities or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the Facilities and then, only in compliance with all Environmental Regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath the Facilities or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of an office building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release, or presence, of Hazardous Materials, the County shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee or the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released or present, on, from or beneath the Facilities, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the Facilities.
- (b) The County and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facilities free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The County and the Authority shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests

and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Facilities; provided, however, that notwithstanding that a portion of this covenant is limited to the County and the Authority's use of its best efforts, the Authority and the County shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the County and the Authority's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any individual or Person with regard to the presence of, or Release of Hazardous Materials on, from or beneath the Facilities, the County and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

- Irrespective of whether any representation or warranty contained in Section 5 is not true or correct, the County and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Bondholders and the Trustee, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 6), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Facilities, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any of the Facilities, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the County is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 6(c) shall survive any termination of the Facilities Lease or exercise of any remedies thereunder, and the satisfaction of all Bonds.
- (d) The County and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

## SECTION 7. Owner in Fee

The County covenants that it is the owner in fee of the Facilities. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will

either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Authority and the Bondowners harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

### SECTION 8. Assignments and Subleases

Unless the County shall be in default under the Facilities Lease, the Authority may not assign its rights under this Site Lease or sublet the Facilities, except pursuant to the Facilities Lease, without the written consent of the County, which consent may be withheld in the County's sole and absolute discretion. Upon the occurrence of a default by the County under the Facilities Lease, the Authority may assign or sell its rights under this Site Lease or sublet the Facilities, without the consent of the County.

## SECTION 9. Right of Entry; Easements

The County reserves the right for any of its duly authorized representatives to enter upon the Facilities at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The County agrees, upon written request from the Authority, to grant to the Authority a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Facilities not having access to a public street, and appurtenant to such parcel, over property owned by the County to a public street. The County may, at any time, satisfy its obligation contained in the preceding sentence as to any such parcel of the Facilities by granting to the Authority an easement complying with the requirements of the preceding sentence from such parcel of the Facilities to a public street.

#### SECTION 10. Termination

The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Facilities in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority further agrees that the Facilities and any other permanent improvements and structures existing upon the Facilities at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Facilities Lease and upon payment of the option price required by said section, the term of this Site Lease shall terminate as to the portion of the Facilities being so purchased, including the real property upon which portion is situated.

#### SECTION 11. Default

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and

the Trustee, the County may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Facilities Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Site Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment of the Facilities Lease of all or any part of the Facilities then in effect between the Authority and any assignee or subtenant of the Authority (other than the County under the Facilities Lease) or the rights of the Trustee with respect thereto. So long as any such assignee or subtenant of the Authority (or the Trustee) shall duly perform the terms and conditions of this Site Lease, such assignee or subtenant (or the Trustee) shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment or subrogation; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondowners.

## SECTION 12. Quiet Enjoyment; Liens

- (a) The Authority at all times during the term of this Site Lease, shall peaceably and quietly have, hold and enjoy all of the Facilities then leased hereunder.
- (b) The Authority shall not, directly or indirectly, create, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facilities, other than the respective rights of the Authority and the County as herein provided and Permitted Encumbrances.

#### SECTION 13. Waiver of Personal Liability

All liabilities under this Site Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the County hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Site Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities or the Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities or the Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

#### SECTION 14. Taxes

The County 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 Facilities.

## SECTION 15. Eminent Domain

In the event the whole or any part of the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds and all other amounts due under the Trust Agreement and the Facilities Lease attributable to such part of the Facilities and all obligations due and owing under the Continuing Covenant Agreement and shall be paid to the Trustee, or the Purchaser or respective Bondholder, as applicable, and the balance of the award, if any, shall be paid to the County.

#### SECTION 16. Further Assurances.

The County covenants and agrees that in the event any lien, encumbrance, asserted encumbrance, claim, dispute or other issue arises with respect to the County's legal title to or valid and marketable, beneficial use and enjoyment of (or the Authority's interest in) the Facilities (each of the foregoing referred to as a "Facilities Issue"), the County will take all steps necessary to promptly quiet, resolve and/or eliminate such Facilities Issue and/or provide the Authority with, or as applicable, will take all reasonable steps available to the County to ensure the Authority has, adequate access to and use of the Facilities and the County has beneficial use and enjoyment of the Facilities and the County shall ensure that its fee interest in the Facilities remains free and clear of Facilities Issues. The County covenants and agrees that in the event any legal description, UCC-1 financing statement or fixture filing (or continuations or amendments thereof) filed or recorded with respect to the Authority's interests in the Facilities reflects any incorrect real property legal description, the County shall take all steps necessary (with the Authority's prior written approval) to promptly correct any errors with respect to such legal descriptions, UCC-1 financing statements and fixture filings.

#### SECTION 17. Nondiscrimination

The Authority herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all person claiming under or through itself, and this Site Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or groups of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the Authority, or any person claiming under or through the Authority, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

#### SECTION 18. Partial Invalidity

If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

#### SECTION 19. Notices

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the County, addressed to the County in care of the Clerk of the Board of Supervisors, County Administration Building, 651 Pine Street, Martinez, California 94553, or if to the Authority, addressed to the Authority in care of the County Administrator, County Administration Building, 651 Pine Street, Martinez, California 94553, in all cases with a copy to the Trustee at the address specified in the Trust Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

## SECTION 20. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

#### SECTION 21. Amendment

The Authority and the County may at any time agree to the amendment of this Site Lease; provided, however, that the Authority and the County agree and recognize that this Site Lease is entered into as contemplated by the terms of the Trust Agreement, and accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

#### SECTION 22. Definitions

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Facilities Lease or, if not defined therein, the Trust Agreement.

#### SECTION 23. Execution

This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Site Lease may separately be executed by the County and the Authority, all with the same force and effect as though the same counterpart had been executed by both the County and the Authority.

IN WITNESS WHEREOF, the County and the Authority 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.

	COUNTY OF CONTRA COSTA, as Lessor
	By:Federal D. Glover
	Federal D. Glover
	Chair of the Board of Supervisors
Attest:	
D.,,	
By:	
Clerk of the Board of Superv	isors
and County Administrato	
<u> </u>	-
	COUNTY OF CONTRA COSTA PUBLIC
	FINANCING AUTHORITY, Lessee
	By:
	By: Federal D. Glover
	Chair of the Board of Directors
	Chair of the Board of Bricetons
Attest:	
By:	
David J. Twa	
Executive Director and Secre	
of the Board of Directors	

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALL	FORNIA	
COUNTY OF CO	NTRA COSTA	
Notary Public, per who proved to me subscribed to the in his/her/their au	ersonally appearede on the basis of satisfactor within instrument and ackrathorized capacity(ies), and	y evidence to be the person(s) whose name(s) is/are nowledged to me that he/she/they executed the same that by his/her/their signature(s) on the instrument iich the person(s) acted, executed the instrument.
•	ENALTY OF PERJURY ph is true and correct.	under the laws of the State of California that the
WITNESS my nar	me and official seal.	
[Affix seal here]		
		Signature of Notary Public

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFOR	<sup>k</sup> NIA	
COUNTY OF CONTE	RA COSTA	
On Notary Public, persor	_, 2017, before me, _	, a
who proved to me on subscribed to the with in his/her/their authority	the basis of satisfactory in instrument and acknowledged capacity(ies), and	evidence to be the person(s) whose name(s) is/are by wledged to me that he/she/they executed the same that by his/her/their signature(s) on the instrument ch the person(s) acted, executed the instrument.
I certify under PENA foregoing paragraph is		nder the laws of the State of California that the
WITNESS my name a	nd official seal.	
[Affix seal here]		
		Signature of Notary Public

# **EXHIBIT A**

# **Description of Facilities**

All that certain real property situated in the County of Contra Costa, State of California, described as follows:

# EXHIBIT B

# **Lease Terms**

Facility Term Maximum Extension

# CERTIFICATE OF ACCEPTANCE (Government Code Section 27281)

This is to certify that the interest in real	I property conveyed by the foregoing Site Lease
from the County of Contra Costa Public Finance	cing Authority to the County of Contra Costa, a
political subdivision of the State of California (t	the "County"), is hereby accepted by order of the
	ity on [], 2017, pursuant to authority
	thority adopted on February 14, 2017, and the
Authority consents to recordation thereof by its	• •
	•
	COUNTY OF CONTRA COSTA PUBLIC
	FINANCING AUTHORITY, as Lessee
	By:
	Federal D. Glover
	Chair of the Board of Directors
Attest:	
_	
By:	
David J. Twa	
Executive Director and Secretary	

of the Board of Directors

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALI	FORNIA	
COUNTY OF CO	NTRA COSTA	
Notary Public, pe who proved to me subscribed to the v in his/her/their aut	rsonally appeared on the basis of satisfactor within instrument and ack horized capacity(ies), and	ry evidence to be the person(s) whose name(s) is/are nowledged to me that he/she/they executed the same I that by his/her/their signature(s) on the instrument nich the person(s) acted, executed the instrument.
I certify under PI	• •	under the laws of the State of California that the
WITNESS my nan	ne and official seal.	
[Affix seal here]		
		Signature of Notary Public

## **ESCROW AGREEMENT**

by and between

#### COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

and

# WELLS FARGO BANK, NATIONAL ASSOCIATION

Dated as of [March 1], 2017

relating to the

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Medical Center Refunding), 2007 Series B

# TABLE OF CONTENTS

		Page
Section 1.	Definitions	2
Section 2.	Escrow Fund.	2
Section 3.	Notice of Redemption and Defeasance.	3
Section 4.	Accounting for Escrow; Substitutions.	4
Section 5.	Investments and Reinvestments.	4
Section 6.	Sufficiency of Escrow.	4
Section 7.	Transfers for Payment of Refunded Bonds	4
Section 8.	Termination of Escrow Agreement; Written Request of Authority	4
Section 9.	Fees and Costs	5
Section 10.	Reports.	5
Section 11.	Character of Deposit.	5
Section 12.	Exculpatory Provisions.	6
Section 13.	Time of Essence.	7
Section 14.	Amendments.	7
Section 15.	Successors.	7
Section 16.	Notices.	8
Section 17.	Severability.	8
Section 18.	Law Governing.	8
Section 19.	Counterparts	8
EXHIBIT A	REFUNDING REQUIREMENTS	A-1
EXHIBIT B	ESCROWED SECURITIES	B-1
EXHIBIT C	NOTICE OF PARTIAL DEFEASANCE	C-1
EXHIRIT D	FEE SCHEDIII E	D <sub>-</sub> 1

#### **ESCROW AGREEMENT**

(2007 Series A Bonds and the 2007 Series B Bonds)

THIS ESCROW AGREEMENT, dated as of [March 1], 2017, is entered into by and between the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority, duly organized and validly existing pursuant to an Amended and Restated Joint Exercise of Powers Agreement entitled "County of Contra Costa Financing Authority Joint Exercise of Powers Agreement," by and between the County of Contra Costa and the Contra Costa County Flood Control and Water Conservation District, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee and as escrow bank (the "Escrow Agent").

#### $\underline{W} \underline{I} \underline{T} \underline{N} \underline{E} \underline{S} \underline{S} \underline{E} \underline{T} \underline{H}$ :

WHEREAS, Wells Fargo Bank, National Association, as successor trustee (the "Prior Trustee"), and the Authority have executed a trust agreement, dated as of February 1, 1999 (the "Original Trust Agreement"), as supplemented by the Sixth Supplemental Trust Agreement, dated as of March 1, 2007 and the Seventh Supplemental Trust Agreement, dated as of August 1, 2007 (as amended and supplemented, the "<u>Trust Agreement</u>");

WHEREAS, the Authority has issued \$122,065,000 of its Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), and \$110,265,000 of its Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds," and together with the 2007 Series A Bonds, the "Refunded Bonds") in order to finance and refinance capital projects for the County pursuant to the Trust Agreement;

WHEREAS, the Authority has determined that it is in the Authority's best interests to defease, pay and redeem the outstanding Refunded Bonds and to issue the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Refunding Bonds") pursuant to a trust agreement, dated as of March 1, 2017 (the "2017 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") for such purpose;

WHEREAS, Section 3.01 of the 2017 Trust Agreement provides for the transfer and deposit of certain proceeds of the Refunding Bonds to the Escrow Fund, to defease and redeem the Refunded Bonds, and such proceeds shall be invested in Government Securities under the Original Trust Agreement so as to insure the full and timely payment of the Refunding Requirements (as hereinafter defined); and,

NOW, THEREFORE, in consideration of the mutual agreements herein contained, in order to secure the payment of the Refunding Requirements, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

## Section 1. <u>Definitions</u>.

As used in this Escrow Agreement the following terms have the following meanings:

"Escrow Agent" means Wells Fargo Bank, National Association, or any successor thereto appointed under this Escrow Agreement.

"Escrow Fund" means the fund by that name created pursuant to Section 2 hereof.

"Escrowed Securities" means any of those certain Government Securities listed in Exhibit B to this Escrow Agreement.

"Government Securities" has the meaning assigned to such term in the Original Trust Agreement.

"Independent Certified Public Accountant" means an independent firm of nationally recognized certified public accountants.

"Prior Trustee" means Wells Fargo Bank, National Association, as successor trustee for the Refunded Bonds.

"Refunded Bonds" means the 2007 Series A Bonds and the 2007 Series B Bonds, further defined in Exhibit A hereto.

"Refunding Bonds" means the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A, issued pursuant to the 2017 Trust Agreement.

"Refunding Requirements" means all installments of principal and interest on the Refunded Bonds, as such payments become due on and prior to the redemption date for the Refunded Bonds and the principal and redemption premium on the redemption date as shown in Exhibit A to this Escrow Agreement.

"State" means the State of California.

"Trustee" means Wells Fargo Bank, National Association, as trustee for the Refunding Bonds.

All other capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Trust Agreement.

#### Section 2. Escrow Fund.

A. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated as the "County of Contra Costa Public Financing Authority Escrow Fund" (the "Escrow Fund"). The Escrow Agent shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall hold the Escrow Fund in trust for the purposes described herein.

B. Pending application as provided in this Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to pay 100% of the principal amount of the Refunded Bonds on June 1, 2017 (the "Redemption Date") and to pay interest on the Refunded Bonds to the Redemption Date, which amounts shall be held in trust by the Escrow Agent for the holders of the Refunded Bonds.

## C. Deposit of Funds

- There shall be deposited in the Escrow Fund by the Escrow Agent the sum of \$[ received from Wells Fargo Municipal Capital Strategies, LLC upon the issuance and sale of the Refunding Bonds. There shall be deposited in the Escrow Fund by the Escrow Agent (2) the sum of \$[\_\_\_\_\_] received from the Prior Trustee from amounts held by the Prior Trustee in the debt service fund and the reserve fund for the Prior Bonds. The Authority has determined, as verified by the report of an Independent Certified Public Accountant, dated [ ,] 2017 (the "Verification Report"), that upon deposit of the money pursuant to Section C(1) and Section C(2), the moneys on deposit in the Escrow Fund will be at least equal to an amount sufficient to purchase the aggregate principal amount of the Government Obligations set forth in Exhibit B hereto (the "Exhibit B Securities"), which principal, together with all interest due or to become due on such Exhibit B Securities plus any uninvested amounts in the Escrow Fund, will be sufficient to meet the Refunding Requirements. The Escrow Agent shall use \$[\_\_\_\_\_] on deposit in the Escrow Fund to purchase the Exhibit B Securities and hold \$[\_\_\_\_\_] in cash in the Escrow Fund.
- D. The funds held in the Escrow Fund shall not be subject to withdrawal other than to satisfy the Refunding Requirements.
- E. The Escrow Agent shall hold all Escrowed Securities, whether acquired as initial investments, subsequent investments or reinvestments hereunder, and the money received from time to time as principal and interest thereon, in trust, to secure and for the payment of the Refunding Requirements and shall collect the principal of and interest on the Escrowed Securities held by it hereunder promptly as such principal and interest become due.

#### Section 3. <u>Notice of Redemption and Defeasance.</u>

- A. The Authority hereby gives irrevocable instructions to the Escrow Agent to mail, as soon as practicable, a notice of the defeasance of the Refunded Bonds in the form attached hereto as Exhibit C in accordance with Section 10.01 of the Original Trust Agreement.
- B. Authority hereby gives irrevocable instructions to the Escrow Agent to mail, not less than thirty nor more than sixty days prior to the Redemption date, a notice of the redemption of the Refunded Bonds in the form attached hereto as <u>Exhibit D</u> in accordance with Section 4.05 of the Original Trust Agreement.

## Section 4. <u>Accounting for Escrow; Substitutions</u>.

- A. The moneys and the Escrowed Securities from time to time accounted for in the Escrow Fund shall not be subject to withdrawal by the Authority nor otherwise subject to their order except as otherwise provided in Sections 2 and 8 hereof.
- B. The Authority may from time to time direct the Escrow Agent to sell, exchange or substitute Escrowed Securities for other Government Securities; provided that there shall be no sale, exchange or substitution of the Escrowed Securities, unless the following are received: (i) the written direction of the Authority, (ii) receipt by the Authority and the Escrow Agent of a new Verification Report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the escrow to pay all Refunding Requirements when due in full on their respective due dates and (iii) receipt of an unqualified legal opinion of nationally recognized bond counsel that such investment will not adversely affect the tax-exempt status of interest on the Refunded Bonds or the Refunding Bonds under Section 103 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder.

### Section 5. Investments and Reinvestments.

The Escrow Agent shall have no other obligation by virtue of this Escrow Agreement, general trust law or otherwise, to make any investment or reinvestment of any moneys in escrow at any time except as expressly directed by the Authority and upon receipt, but only in case of such Authority direction that securities must be reinvested in Government Securities, of (i) the written direction of the Authority, (ii) receipt by the Authority and the Escrow Agent of a new Verification Report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the escrow to pay all Refunding Requirements when due on their respective due dates and (iii) receipt of an opinion of nationally recognized bond counsel that such investment will not adversely affect the validity of the Refunding Bonds or the Refunded Bonds under State law.

## Section 6. <u>Sufficiency of Escrow.</u>

Moneys deposited in the Escrow Fund, including the investment earnings thereon and any uninvested cash, shall be in an amount, as determined by the Authority, which at all times shall be sufficient to meet the Refunding Requirements not theretofore met.

#### Section 7. Transfers for Payment of Refunded Bonds.

The Escrow Agent shall make from time to time such transfers to the Prior Trustee as will assure, to the extent of moneys in the Escrow Fund, the payment of the Refunding Requirements when due, as provided herein and in the Trust Agreement.

#### Section 8. Termination of Escrow Agreement; Written Request of Authority.

When the Escrow Agent shall have transferred, pursuant to Section 7 hereof, such moneys as are required to pay in full and discharge all of the Refunded Bonds, the Escrow Agent, after payment of all fees and expenses of the Escrow Agent, shall immediately pay over

to the Authority or its order the moneys, if any, then remaining in the Escrow Fund and shall make forthwith a final report to the Authority, and this Escrow Agreement shall terminate. The Prior Trustee shall pay to the Authority any and all unclaimed moneys as provided in Section 10.02 of the Original Trust Agreement and this shall constitute the Written Request of the Authority for such purpose.

### Section 9. Fees and Costs.

- A. The Escrow Agent's fees, expenses and reimbursement for costs incurred for and in carrying out the provisions of this Escrow Agreement have been fixed as set forth in Exhibit E. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred, including but not limited to, legal and accounting services in connection with any litigation or other proceedings which may at any time be instituted involving this Escrow Agreement not due to the negligence or willful misconduct of the Escrow Agent. Under no circumstances shall any fees, expenses or reimbursement of costs of the Escrow Agent or any other party (including without limitation, the cost of any required Verification Report) be paid out of amounts held in the Escrow Fund.
- B. Payments to the Escrow Agent pursuant to this Section 9 shall not be for deposit in the Escrow Fund, and the fees of and the costs incurred by the Escrow Agent shall not be a charge on and in no event shall be deducted from the Escrow Fund.

#### Section 10. Reports.

- A. Each month until the termination of this Escrow Agreement, the Escrow Agent shall submit to the Authority a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder during the preceding one-month period. Such report shall be subject to audit by the Authority or by such Independent Certified Public Accountant, as may be designated by the Authority.
  - B. The last report shall be made at the time provided in Section 8 hereof.
- C. Each such report shall also list all Escrowed Securities and the amount of money accounted for in the Escrow Fund on the date of such report, except for the last report.

#### Section 11. Character of Deposit.

- A. It is recognized that title to the Escrowed Securities and moneys accounted for in the Escrow Fund from time to time be vested in the Escrow Agent but subject always to the prior trust, charge and lien thereon of this Escrow Agreement in favor of the owners of the Refunded Bonds and the use thereof required to be made by the provisions hereof.
- B. The Escrow Agent shall hold all such securities and moneys in the Escrow Fund as special trust funds separate and wholly segregated from all other securities and funds of the Escrow Agent or deposited therein, and shall never commingle such securities or moneys with other securities or moneys.

C. No money paid into and accounted for in the Escrow Fund shall ever be considered as a banking deposit and the Escrow Agent shall have no right or title with respect thereto except in its capacity as Escrow Agent hereunder.

## Section 12. <u>Exculpatory Provisions</u>.

- A. The duties and responsibilities of the Escrow Agent are limited to those expressly and specifically stated in this Escrow Agreement.
- B. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and made in compliance with the provisions hereof. The Escrow Agent shall not be liable or responsible for the accuracy of any calculations or the sufficiency of any Escrowed Securities, the Escrow Fund or any moneys held by it to meet the Refunding Requirements.
- C. No provision of this Escrow Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent failure to act or its own willful misconduct.
- D. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Authority of any of its obligations, nor shall it be responsible in any manner for the recitals or statements contained herein or in the Refunded Bonds or any proceedings taken in connection therewith, such recitals and statements being made solely by the Authority. The Escrow Agent may conclusively rely on any opinion, written request, certificate, written direction or report of the Authority, any certified public accountant, financial advisor or investment bank delivered to it and received in good faith in connection with the transactions contemplated hereby.
- E. Nothing in this agreement shall be construed to create any obligations or liabilities on the part of the Escrow Agent to anyone other than the Authority and the holders of the Refunded Bonds.
- The Escrow Agent may at any time resign by giving thirty (30) days written notice to the Authority of such resignation. The Authority may remove the Escrow Agent at any time by giving thirty (30) days written notice to the Escrow Agent of such removal. The Authority shall promptly appoint a successor Escrow Agent by the resignation or removal date. Resignation or removal of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent and the transfer of escrowed assets over to the successor Escrow Agent. If the Authority does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation or giving notice of removal of an Escrow Agent, the Authority may appoint a temporary Escrow Agent to replace the resigning or removed Escrow Agent until the Authority appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed; provided, that the successor Escrow Agent accepts such appointment and the escrowed assets are transferred over to the successor Escrow Agent.

- G. The Authority, to the extent permitted by law, agrees to indemnify the Escrow Agent, its agents and its officers or employees for and hold the Escrow Agent, its agents, officers or employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder, in any transaction arising out of this Escrow Agreement or the Trust Agreement or any of the transactions contemplated herein or in the Trust Agreement, unless due to the Escrow Agent's or its officers' or employees' or agents' negligence or willful misconduct. Such indemnity shall survive the termination of this Escrow Agreement or resignation of the Escrow Agent.
- H. The Escrow Agent may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions and the opinion of such counsel shall be full and complete authorization in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

#### Section 13. Time of Essence.

Time shall be of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

## Section 14. <u>Amendments</u>.

This Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the Authority and the Escrow Agent (i) a written opinion of nationally recognized bond counsel stating that such amendment will not adversely affect the tax-exempt status of interest on the Refunded Bonds or the Refunding Bonds under Section 103 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder and (ii) unless such amendment is limited to (1) insertion of unintentionally omitted material, correction of mistakes or clarification of ambiguities, (2) pledging of additional legal security to the Refunded Bonds, or (3) providing for the deposit of additional cash and/or securities in the Escrow Fund, the written consent of all the owners of the Refunded Bonds then outstanding.

#### Section 15. Successors.

- A. Whenever herein the Authority or the Escrow Agent is named or is referred to, such provision shall be deemed to include any successor of the Authority or the Escrow Agent, respectively, immediate or intermediate, whether so expressed or not. The successor Escrow Agent must be in place and the escrowed assets transferred over to it before the predecessor Escrow Agent is released.
- B. All of the stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority or the Escrow Agent contained herein:
  - (1) Shall bind and inure to the benefit of any such successor; and

(2) Shall bind and shall inure to the benefit of any officer, board, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority or the Escrow Agent, respectively, or of its successor.

#### Section 16. <u>Notices</u>.

All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail to the following addresses or to such other address as the recipient thereof shall request in writing to the other party hereto:

If to the Authority: County of Contra Costa Public Financing Authority

County Administrator's Office 651 Pine Street, 10th Floor Martinez, CA 94553-0063 Attn: County Finance Director

If to the Escrow Agent: Wells Fargo Bank, National Association

1700 Lincoln Street, 10th Floor Denver, Colorado 80203-4500 Attn: Corporate Trust Services

## Section 17. <u>Severability</u>.

If any section, paragraph, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

#### Section 18. <u>Law Governing</u>.

This Escrow Agreement is made in the State of California and is to be construed under the Constitution and laws of such State.

#### Section 19. Counterparts.

This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY has caused this Escrow Agreement to be signed in its name by its duly authorized officer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

FINANCING AUTHORITY
Ву:
Deputy Executive Director
WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent
Ву:
Authorized Officer

# **EXHIBIT A**

# **REFUNDING REQUIREMENTS**

# **EXHIBIT B**

# ESCROWED SECURITIES

The following securities wil	l be deposited into the Escrow Fund on [	], 2017:
	Initial Cash Deposit: \$[]	

#### **EXHIBIT C**

#### NOTICE OF DEFEASANCE

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND VARIOUS CAPITAL PROJECTS),  $2007~{\rm SERIES}~{\rm A}$ 

#### **AND**

## COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (MEDICAL CENTER REFUNDING), 2007 SERIES B

NOTICE IS HEREBY GIVEN to the owners of the above-referenced Bonds, issued by the County of Contra Costa Public Financing Authority (the "Authority") pursuant to a trust agreement, dated as of February 1, 1999 (as supplemented and amended the "Trust Agreement"), between the Authority and Wells Fargo Bank, National Association ("Wells Fargo Bank"), as successor trustee, that the principal amount of Bonds identified below in the column labeled "Principal Amount Refunded" and maturing on the dates identified below (hereinafter referred to as the "Refunded Bonds"), have been defeased pursuant to section 10.01 of such Trust Agreement and pursuant to an Escrow Agreement, dated as of March 1, 2017 (the "Escrow Agreement"), by and between the Authority and Wells Fargo Bank, as trustee and escrow agent.

Prior to June 1, 2017 identified below (the "Redemption Date") interest on the Refunded Bonds will be paid in accordance with the provisions of the Trust Agreement from the escrow fund (the "Escrow Fund") established pursuant to the Escrow Agreement. On the Redemption Date, the Refunded Bonds will be redeemed at the redemption price identified below of their principal amount, plus accrued interest thereon to the Redemption Date, such redemption price and accrued interest to be paid from the Escrow Fund on the Redemption Date.

2007 Series A Redemption Date: June 1, 2017 Redemption Price: 100%

Maturity	Interest	CUSIP*	Principal Amount	
(June 1)	Rate	(21226P)	Outstanding	Principal Amount Refunded
2018	4.00%	GQ5	\$11,430,000	\$11,430,000
2019	4.00	MW5	10,275,000	10,275,000
2020	5.00	MX3	10,685,000	10,685,000
2021	5.00	MY1	11,220,000	11,220,000
2022	5.00	MZ8	10,105,000	10,105,000
2023	4.50	NB0	3,330,000	3,330,000
2023	4.75	NA2	7,265,000	7,265,000
2024	4.50	NC8	4,480,000	4,480,000
2025	4.75	ND6	4,685,000	4,685,000
2026	4.50	NE4	4,905,000	4,905,000
2027	4.50	NF1	4,330,000	4,330,000
2028	4.50	NG9	1,210,000	1,210,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

# 2007 Series B Redemption Date: June 1, 2017 Redemption Price: 100%

Maturity	Interest	Original CUSIP*	Principal Amount	
(June 1)	Rate	(21226P)	Outstanding	Principal Amount Refunded
2017	5.00%	HM3	\$14,075,000	\$14,075,000
2018	5.00	HN1	3,655,000	3,655,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

DATED:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and Escrow Agent

#### **EXHIBIT D**

#### NOTICE OF REDEMPTION

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND VARIOUS CAPITAL PROJECTS), 2007 SERIES A

#### **AND**

## COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (MEDICAL CENTER REFUNDING), 2007 SERIES B

NOTICE IS HEREBY GIVEN to the owners of the above-referenced Bonds, by Wells Fargo Bank, National Association, as Trustee for the County of Contra Costa Public Financing Authority (the "Authority") that the Authority intends to exercise its option to redeem all outstanding maturities identified below at a redemption price equal to 100% (the "Redemption Price"), plus accrued interest thereon to June 1, 2017 (the "Redemption Date"). After the Redemption Date, interest on the Bonds shall cease to accrue.

## 2007 Series A Redemption Date: June 1, 2017 Redemption Price: 100%

<b>Date Dated</b>	Maturity (June 1)	Interest Rate	CUSIP* (21226P)	Principal Amount Outstanding	Principal Amount Refunded
March 14, 2007	2018	4.00%	GQ5	\$11,430,000	\$11,430,000
March 14, 2007	2019	4.00	MW5	10,275,000	10,275,000
March 14, 2007	2020	5.00	MX3	10,685,000	10,685,000
March 14, 2007	2021	5.00	MY1	11,220,000	11,220,000
March 14, 2007	2022	5.00	MZ8	10,105,000	10,105,000
March 14, 2007	2023	4.50	NB0	3,330,000	3,330,000
March 14, 2007	2023	4.75	NA2	7,265,000	7,265,000
March 14, 2007	2024	4.50	NC8	4,480,000	4,480,000
March 14, 2007	2025	4.75	ND6	4,685,000	4,685,000
March 14, 2007	2026	4.50	NE4	4,905,000	4,905,000
March 14, 2007	2027	4.50	NF1	4,330,000	4,330,000
March 14, 2007	2028	4.50	NG9	1,210,000	1,210,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

## 2007 Series B Redemption Date: June 1, 2017 Redemption Price: 100%

<b>Date Dated</b>	Maturity	Interest	Original CUSIP*	Principal Amount	Principal Amount
	(June 1)	Rate	(21226P)	Outstanding	Refunded
Aug. 7, 2007	2017	5.00%	HM3	\$14,075,000	\$14,075,000
Aug. 7, 2007	2018	5.00	HN1	3,655,000	3,655,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

Payment of the Redemption Price of the Refunded Bonds will become due and payable on the Redemption Date, and will be made upon presentation and surrender of the Refunded Bond at the following address:

Registered/Certified Mail: Air Courier:

Wells Fargo Bank, N.A.

Corporate Trust Operations

MAC N9300-070

P.O. BOX 1517

Minneapolis, MN 55480

Wells Fargo Bank, N.A.

Corporate Trust Operations

MAC N9300-070

600 Fourth St South – 7<sup>th</sup> Floor

Minneapolis, MN 55479

DATED:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and Escrow Agent

IMPORTANT NOTICE REGARDING TAX CERTIFICATION DOCUMENTATION AND **POTENTIAL WITHHOLDING:** Pursuant to U.S. federal tax laws, you have a duty to provide the required type of tax certification form to anyone making a payment to you that could constitute income or gross proceeds reportable to you. That tax certification documentation must be received by the Trustee (which includes the term "Withholding Agent" if you are a Nonresident Alien Individual or Foreign Entity) on or before the date of the payment, or the date on which the transaction is reportable on either IRS Form 1099 or IRS Form 1042-S even if no payment is made at that time. If you do not provide a valid tax certification form as required, the Trustee will be required to apply the maximum amount of withholding on that reportable payment. For example, if you are a U.S. taxpayer and do not provide a Form W-9 by the effective date of a merger, the trade date of a sale, the Redemption Date or Mandatory Tender Date or Tender Date or Conversion Date for a bond as the applicable term is defined in the Notice, or the payment date for interest or dividends, the Trustee is required to apply 28% backup withholding to the amount reportable as gross proceeds on a Form 1099-B, the interest amount reportable on a Form 1099-INT or the dividend amount reportable on a Form 1099-DIV. If you are a foreign person or entity, you are required to provide the applicable type of IRS Form W-8 by those aforementioned dates, and failure to do so can result in a 30% withholding rate being applied to the amount of the payment reportable on IRS Form 1042-S.

# **EXHIBIT E**

# **FEE SCHEDULE**

The one – time Escrow Agent Fee is [\$\_\_\_\_].

## CONTINUING COVENANT AGREEMENT

dated as of March 1, 2017,

among

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

COUNTY OF CONTRA COSTA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

relating to

**\$[Par Amount]** 

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS
(REFUNDING AND CAPITAL PROJECTS)
2017 SERIES A

# TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	2
Section 1.01.	Certain Defined Terms	2
Section 1.02.	Computation of Time Periods	
Section 1.03.	Construction	
Section 1.04.	Accounting Terms and Determinations	11
Section 1.05.	Relation to Other Documents; Acknowledgment of	
	Different Provisions of Related Documents;	
	Incorporation by Reference	12
ARTICLE II	PURCHASE OF BONDS	13
Section 2.01.	Purchase of Bonds	13
ARTICLE III	THE BORROWER'S OBLIGATIONS	13
Section 3.01.	Payment Obligations	13
Section 3.02.	Default Rate	
Section 3.03.	Determination of Taxability	
Section 3.04.	Maximum Interest Rate	
Section 3.06.	Net of Taxes, Etc	17
Section 3.07.	Obligations Absolute	18
Section 3.08.	Funding Indemnity	18
Section 3.05.	County's Obligations Are Payable Pursuant to Terms of Facilities Lease	19
ARTICLE IV	CONDITIONS PRECEDENT TO PURCHASE OF BONDS	19
Section 4.01.	Documentary Requirements	19
Section 4.02.	Litigation	
Section 4.03.	Other Matters	
Section 4.04.	Payment of Fees and Expenses	22
ARTICLE V	REPRESENTATIONS AND WARRANTIES	22
Section 5.01.	Existence and Power; Tax Status	22
Section 5.01.	Existence and Power; Tax Status	
ARTICLE VI	COVENANTS OF THE BORROWER	32
Section 6.01.	Existence, Etc	32
Section 6.02.	Maintenance of Properties	
Section 6.03.	Compliance with Laws; Taxes and Assessments	33
Section 6.04.	Insurance	33
Section 6.05.	Reports	33

Section 6.06.	Maintenance of Books and Records	
Section 6.07.	Access to Books and Records	35
Section 6.08.	Compliance With Documents	35
Section 6.10.	Further Assurances.	36
Section 6.11.	No Impairment	37
Section 6.12.	Application of Bond Proceeds	37
Section 6.13.	Trustee	37
Section 6.12.	Limitation on Voluntary Liens	37
Section 6.15.	Related Documents	37
Section 6.17.	Conversions and Redemptions	37
Section 6.18.	Disclosure to Participants, Purchaser Transferees and	
	Non-Purchaser Transferees	37
Section 6.19.	Other Agreements	38
Section 6.20.	Immunity from Jurisdiction	38
Section 6.21.	Swap Contracts	38
Section 6.22.	Budget and Appropriation	39
Section 6.23.	Use of Purchaser's Name	39
Section 6.24.	Maintenance of Tax-Exempt Status of Bonds	39
Section 6.25.	ERISA	
Section 6.26.	Investment Policy	39
Section 6.27.	Environmental Laws	39
Section 6.28.	Federal Reserve Board Regulations	40
Section 6.29.	Underlying Rating	
Section 6.30.	Repayment of Purchaser	
Section 6.31.	Disaster Relief	
Section 6.32.	Voluntary Rent Abatement	41
Section 6.33.	Operation and Maintenance of the Project	41
Section 6.34.	Compliance with Laws; Taxes and Assessments	
Section 6.35.	Fair Rental Value	
Section 6.36.	Substitution or Removal of Property	41
ARTICLE VII	EVENTS OF DEFAULT	42
Section 7.01.	Events of Default	42
Section 7.02.	Consequences of an Event of Default	
Section 7.03.	Remedies Cumulative; Solely for the Benefit of	
Section 7.001	Purchaser	45
Section 7.04.	Waivers or Omissions	
Section 7.05.	Discontinuance of Proceedings	
ARTICLE VIII	Indemnification	46
Section 8.01.	Indemnification	46
Section 8.01.	Survival	
ARTICLE IX	Miscellaneous	47
Section 9.01.	Patriot Act Notice	47/

Section 9.02.	Further Assurances	47
Section 9.03.	Amendments and Waivers; Enforcement	
Section 9.04.	No Implied Waiver; Cumulative Remedies	
Section 9.05.	Notices	48
Section 9.06.	Right of Setoff	
Section 9.07.	No Third-Party Rights	50
Section 9.08.	Severability	50
Section 9.09.	Governing Law; Consent to Jurisdiction and Venue;	
	Waiver of Jury Trial	50
Section 9.10.	ArbitrationError! Bookmark no	
Section 9.11.	Prior Understandings	51
Section 9.12.	Duration	51
Section 9.13.	Counterparts	51
Section 9.14.	Successors and Assigns	
Section 9.15.	No Advisory or Fiduciary Responsibility	53
Section 9.16.	Headings	54
Section 9.17.	Electronic Signatures	

# **EXHIBITS**

EXHIBIT A - FORM OF COMPLIANCE CERTIFICATE

EXHIBIT B - BREAKAGE FEE CALCULATION

#### CONTINUING COVENANT AGREEMENT

THIS CONTINUING COVENANT AGREEMENT, dated as of March 1, 2017 (as amended, supplemented, modified or restated from time to time, this "Agreement"), among the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly created by and existing under the laws of the State of California (the "Authority"), the COUNTY OF CONTRA COSTA, body corporate and politic and political subdivision of the State of California (the "County"), and Wells Fargo Bank, National Association, a national banking association.

#### RECITALS

WHEREAS, the Authority is issuing its Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A (the "Bonds") pursuant to a Trust Agreement dated as of March 1, 2017 (as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof, the "Trust Agreement"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and

WHEREAS, the Authority has previously issued its Lease Revenue Bonds (Refunding and Various Capital Projects) 2007 Series A, its Lease Revenue Bonds (Medical Center Refunding) 2007 Series B and its Lease Revenue Bonds (Capital Projects Program) 2009 Series A (collectively, the "*Refunded Bonds*") to assist the County in financing certain capital projects and to refund certain outstanding bonds issued for the benefit of the County.

WHEREAS, the County wishes to cause the refunding of the Refunded Bonds and to finance certain capital projects.

WHEREAS, pursuant to the terms of the hereinafter defined Site Lease, the County has leased to the Authority the Facilities (as hereinafter defined).

WHEREAS, pursuant to the terms of the hereinafter defined Facilities Lease, the Authority has subleased to the County the Facilities.

WHEREAS, the principal of and interest on the Bonds will be payable from the Base Rental Payments (as hereinafter defined) made by the County to the Authority pursuant to the terms of the Facilities Lease and the Authority has assigned its rights to receive such Base Rental Payments to the Trustee;

WHEREAS, the Purchaser has agreed to purchase the Bonds, and as a condition to such purchase, the Purchaser has required the County and the Authority to enter into this Agreement.

Now, Therefore, to induce the Purchaser to purchase the Bonds, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the County, the Authority and the Purchaser hereby agree as follows:

#### ARTICLE I

#### **DEFINITIONS**

Section 1.01. Certain Defined Terms. In addition to the terms defined in the recitals and elsewhere in this Agreement, the Trust Agreement and the Facilities Lease, the following terms shall have the following meanings:

"1933 Act" means the Securities Act of 1933, as amended.

"Additional Payments" has the meaning set forth in the Facilities Lease.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Anti-Terrorism Laws" has the meaning set forth in Section 5.01(aa) hereof.

"Applicable Law" means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Governmental Approvals and (iii) orders, decisions, judgments, writs, injunctions and decrees of all courts (whether at law or in equity) and arbitrators.

"Authority" has the meaning set forth in the introductory paragraph hereof.

"Authority Representative" means any person authorized from time to time in writing by the Authority, or its successors and assigns, to perform a designated act or execute a designated document.

"Bank Agreement" means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes issued by or on behalf of the County.

"Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.0%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.0%), and (iii) seven percent (7.0%).

"Base Rental Payments" has the meaning set forth in the Facilities Lease.

"Bond Counsel" means Nixon Peabody LLP or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the County.

*"Bondholder"* means the Purchaser and each Purchaser Transferee or Non-Purchaser Transferee pursuant to Section 9.13 hereof so long as such Purchaser Transferee or Non-Purchaser Transferee is an owner of Bonds.

"Bonds" has the meaning set forth in the recitals hereof.

"Breakage Fee" has the meaning set forth in Section 3.07 hereof.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in San Francisco, California or New York, New York or the states where the principal corporate office of the County or the principal corporate trust office of the Trustee is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal office of the Purchaser is closed.

"Code" means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

"Compliance Certificate" means a certificate substantially in form of Exhibit A hereto.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the County or the Authority, as applicable, are treated as a single employer under Section 414 of the Code.

"County" has the meaning set forth in the introductory paragraph hereof.

"County Representative" means any person authorized from time to time in writing by the County, or its successors and assigns, to perform a designated act or execute a designated document.

"Cross-Default Parity Debt" means any Debt (solely to the extent described in subparagraphs (a), (b) or (e) of the definition of Debt) of the County (including, without limitation, lease revenue bonds and certificates of participation) or issued on behalf of the County that is payable directly from, and rated based on, the County's general fund.

"Debt" of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person as lessee under capital leases, (d) all Guarantees by such Person of Debt of other Persons, (e) the maximum amount of all direct obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments and (f) all obligations of such Person under any Swap Contract.

"Default" means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

"Default Rate" means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.0%).

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

- (i) the date on which the County or the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;
- the date on which the Bondholder or any former Bondholder notifies the (ii) Authority and the County that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the County and the Authority of such notification from the Bondholder or any former Bondholder, the County or the Authority shall deliver to the Bondholder and any former Bondholder (A) the opinion of another nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that no Event of Taxability has occurred, or (B) a ruling or determination letter issued to or on behalf of the County or the Authority by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;
- (iii) the date on which the Authority or the County shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the County and/or the Authority, or upon any review or audit of the County and/or the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or
- (iv) the date on which the County and/or the Authority shall receive notice from the Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder or such former Bondholder the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the County has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder or former Bondholder, the Authority shall promptly reimburse, as Additional Payments, but solely from payments made by the County, such Bondholder or former Bondholder for any payments, including any taxes, interest, penalties or other charges, such Bondholder (or former Bondholder) shall be obligated to make as a result of the Determination of Taxability.

"DTC" means The Depository Trust Company.

"Effective Date" means March [\_\_], 2017 subject to the satisfaction or waiver by the Purchaser of all of the conditions precedent set forth in Article IV hereof.

"EMMA" means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

"Event of Default" with respect to this Agreement has the meaning set forth in Section 7.01 hereof and, with respect to any Related Document, has the meaning set forth therein.

"Event of Taxability" means the occurrence or existence of any fact, event or circumstance resulting from the taking of any action by the County or the Authority, or the failure to take any action by the County or the Authority, or the making by the County or the Authority of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes.

"Excess Interest Amount" has the meaning set forth in Section 3.04 hereof.

"Excluded Taxes" means, with respect to the Purchaser or any Bondholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes

imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Purchaser or such Bondholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Purchaser is located.

"Executive Order" has the meaning set forth in Section 5.01(aa) hereof.

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

"Facilities Lease" means the lease, entitled "Facilities Lease" by and between the County and the Authority, dated as of March 1, 2017, which facilities lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [\_\_\_\_\_] as document No. [\_\_\_\_\_], as originally executed and recorded or as it may from time to time be amended, supplemented, modified or restated pursuant to the provisions hereof and thereof.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to Well Fargo Bank, National Association on such day on such transactions as determined by Well Fargo Bank, National Association. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

"Fiscal Year" means the twelve-month period from July 1 through the following June 30.

"Fitch" means Fitch, Inc., and any successor rating agency.

"FRB" means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, statements and pronouncements of the Financial Accounting Standards Board (or any successor authority) and statements and pronouncements of the Governmental Accounting Standards Board (or any successor authority), in each case in effect from time to time in the United States and applicable to entities such as the County.

"Governmental Approval" means an authorization, consent, approval, permit, license, a registration or filing with any Governmental Authority.

"Governmental Authority" means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

"Guarantee" means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning set forth in Section 8.01 hereof.

"Investment Policy" means the investment policy of the County delivered to the Purchaser pursuant to Section 4.01(a)(vi) hereof.

"Investor Letter" has the meaning set forth in Section 9.13(c) hereof.

"Law" means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

"Lease Payments" means, collectively, the Base Rental Payments and the Additional Payments.

"Liabilities" has the meaning set forth in Section 8.01 hereof.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Majority Bondholder" means the Bondholders with a majority of the aggregate principal amount of Bonds from time to time. As of the Effective Date, Wells Fargo Bank, National Association shall be the Majority Bondholder.

"Margin Stock" has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

"Material Adverse Effect" means: (a) a material adverse change in the financial condition of the County; (b) a material impairment of the ability of the County or the Authority to perform its respective obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the County or the Authority of any Related Document to which it is a party.

"Maximum Annual Rent" means, for each Rental Payment Period, [\$\_\_\_\_\_] or, if the fair rental value of the Facilities has changed after the Effective Date, including through the release of Facilities pursuant to Section 2.02 of the Facilities Lease or the substitution, release or addition of real property pursuant to Section 2.03 of the Facilities Lease, the fair rental value of the Facilities for such Rental Payment Period as determined by a written appraisal of an independent appraiser or as otherwise reasonably determined by the County in accordance with the Facilities Lease.

"Maximum Interest Rate" means the maximum rate of interest on the relevant obligation permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc. and any successor rating agency.

"Non-Purchaser Transferee" has the meaning set forth in Section 9.13(c) hereof.

"Obligations" means all amounts payable by the County and/or the Authority, and all other obligations to be performed by the County and/or the Authority, pursuant to this Agreement and the other Related Documents (including any amounts to reimburse the Purchaser for any advances or expenditures by it under any of such documents).

"OFAC" has the meaning set forth in Section 5.01(aa) hereof.

"Other Taxes" has the meaning set forth in Section 3.05(a) hereof.

"Parity Debt" means any Debt of the County (including, without limitation, lease revenue bonds and certificates of participation) or issued on behalf of the County that is payable directly from, and rated based on, the County's general fund.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Encumbrances" has the meaning set forth in the the Trust Agreement.

"Person" means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Plan" means, with respect to the County or the Authority, as applicable, at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the County or the Authority, as applicable, is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the County or the Authority, as applicable, is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Prime Rate" means on any day, the rate of interest per annum then most recently established by the Purchaser as its "prime rate." Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Purchaser to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Purchaser may make various business or other loans at rates of interest having no relationship to such rate. If the Purchaser ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Purchase Price" has the meaning set forth in Section 2.01(a) hereof.

"Purchaser" means, initially, Wells Fargo Bank, National Association, a national banking association, and its successors and assigns, and upon the receipt from time to time by the Trustee and the County of a notice described in Section 9.13(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 9.13(a) hereof.

"Purchaser Affiliate" means the Purchaser and any Affiliate of the Purchaser, and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Securities (a trade name).

"Purchaser Transferee" has the meaning set forth in Section 9.13(b) hereof.

"Rating Agency" means any of S&P, Moody's and Fitch, as applicable.

"Related Documents" means this Agreement, the Trust Agreement, the Bonds, the Site Lease, the Facilities Lease and any exhibits, schedules, instruments or agreements relating thereto, as the same may be amended, modified or supplemented in accordance with the terms thereof and hereof.

"Rental Payment Period" has the meaning set forth in the Facilities Lease.

"Revenues" has the meaning set forth in the Trust Agreement.

"S&P" means S&P Global Ratings, and any successor rating agency.

"Site Lease" means the lease, entitled "Site Lease," by and between the County and the Authority, dated as of March 1, 2017, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [\_\_\_\_\_] as document No. [\_\_\_\_], as originally executed and recorded or as it may from time to time be amended, supplemented, modified or restated pursuant to the provisions hereof and thereof.

"State" means the State of California.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing),

whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Taxable Date" means the date on which interest on the Bonds is first includable in gross income of the Bondholder (including, without limitation, any previous Bondholder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"Taxable Period" has the meaning set forth in Section 3.03 hereof.

"Taxable Rate" means, for each day during a Taxable Period, a rate of interest per annum equal to the product of (i) the interest rate on the Bonds for such day and (ii) 1.54.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"Title Company" means First American Title Insurance Company.

"Trustee" has the meaning set forth in the recitals hereof.

"Trust Agreement" has the meaning set forth in the recitals hereof.

Section 1.02. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.03. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word "including" shall be deemed to mean "including but not limited to," and "or" has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The Section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

Section 1.04. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder

shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.05 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the County, the Authority or the Purchaser may by notice to the other party hereto, require that the Purchaser and the County and the Authority negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the County shall be the same as if such change had not been made. No delay by the County, the Authority or the Purchaser in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with GAAP in effect prior to such change in accounting principles.

- Section 1.05. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the County or the Authority of its respective obligations under, any Related Document to which they are a party. Conversely, to the extent that the provisions of any Related Document allow the County or the Authority to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the County and the Authority nevertheless shall be fully bound by the provisions of this Agreement.
- (b) Except as provided in subsection (c) of this Section 1.05, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.
- (c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

#### ARTICLE II

### PURCHASE OF BONDS

# Section 2.01. Purchase of Bonds.

- (a) Purchase Price. Upon the conditions set forth in Article IV hereof and based on the representations, warranties and covenants of the County and the Authority set forth in the Trust Agreement, the Facilities Lease and herein, the Purchaser hereby agrees to purchase from the Authority and the Authority agrees to sell to the Purchaser, all, but not less than all, of the Bonds at par in an aggregate principal amount equal to [\$Par Amount] for the Bonds (the "Purchase Price").
- (b) Closing. On the Effective Date, the County and the Authority shall deliver to the Purchaser the documents described in Article IV hereof. Upon delivery of such documents and the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof, the Purchaser will pay the full Purchase Price in immediately available federal funds payable to the Trustee on behalf of the County and the Authority. One fully registered Bond, in the aggregate principal amount equal to the applicable Purchase Price, shall be issued to and registered in the name of Cede & Co., nominee for DTC, as securities depository, and the beneficial interests in the Bonds so registered will be credited to such accounts with DTC as the Purchaser shall designate.

### ARTICLE III

### THE COUNTY'S AND AUTHORITY'S OBLIGATIONS

Section 3.01. Payment Obligations. (a) The County or the Authority, as applicable, hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all payment obligations owed to the Purchaser under the Related Documents, and to pay any other Obligations owing to the Purchaser whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in such Related Documents and under such Obligations.

- (b) The principal and interest on the Bonds is due and payable on each mandatory sinking fund payment date and on the maturity date in accordance with the Trust Agreement. In the event the Bondholders have not received all payments on the Bonds due on each mandatory sinking fund payment date and on the maturity date in accordance with the Trust Agreement, it shall constitute an Event of Default hereunder and under the Trust Agreement and the County and/or the Authority shall pay or cause to be paid to the Bondholders interest on the unpaid principal amount of such Bonds from such mandatory sinking fund payment date or the maturity date, as applicable, until the date all such Bonds are paid in full at a rate per annum equal to the Default Rate, payable on demand. The Bonds shall mature on the maturity date in accordance with the Trust Agreement unless, prior to such date, the Bonds are accelerated pursuant to the Trust Agreement due to an Event of Default or the Bonds are redeemed or otherwise prepaid in full prior to such date at the option of the Corporation in accordance with the Trust Agreement and Section 6.17(b) herein. Any optional redemption or prepayment shall be subject to Section 3.07 hereof.
- (c) The County and/or the Authority, as applicable, shall pay to the Purchaser, as Additional Payments, within thirty (30) days after demand:
  - (i) if an Event of Default shall have occurred, all costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Related Documents and such other documents which may be delivered in connection therewith;
  - (ii) a fee for each amendment to this Agreement or any other Related Document or any consent or waiver by the Purchaser with respect to any Related Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Purchaser;
  - (iii) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Purchaser in connection with advising the Purchaser as to its rights and responsibilities under this Agreement and the other Related Documents in connection with responding to requests from the County or the Authority for approvals, consents and waivers; and
  - (iv) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

In addition, if at any time any Governmental Authority shall require revenue or other documentary stamps or any other tax in connection with the execution or delivery of this Agreement or other Related Documents, then, if the County and/or the Authority lawfully may pay for such stamps, taxes or fees, the County and/or the Authority, as applicable, shall pay as Additional Payments, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the County and the Authority agree to save the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay of the

County and/or the Authority in paying, or omission of the County and/or the Authority to pay, such stamps, taxes and fees hereunder.

- Section 3.02. Default Rate. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the Authority to each Bondholder (or, if applicable, the Purchaser) upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed. Notwithstanding anything to the contrary herein, upon a Determination of Taxability, the Obligations shall bear interest at the Taxable Rate rather than the Default Rate, and, together with Section 3.03 hereof, shall be the sole remedies for a breach of Section 6.24 hereof; provided that if any other Event of Default shall have occurred and be continuing (other than as a result of a breach of Section 6.24 hereof), the Obligations shall bear interest at the Default Rate.
- Section 3.03. Determination of Taxability. (i) In the event a Determination of Taxability occurs, to the extent not payable to each Bondholder (or to the Purchaser for the period that it was the Bondholder of any of the Bonds) under the terms of the Trust Agreement and the Bonds, the County and/or the Authority, as applicable, hereby agrees to pay as Additional Payments to the Authority or each Bondholder (or, if applicable, the Purchaser), as required pursuant to the terms of the Facilities Lease, on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Bondholder (or, if applicable, the Purchaser) on the Bonds during the period for which interest on the Bonds is included in the gross income of such Bondholder (or, if applicable, the Purchaser) if the Bonds had borne interest at the Taxable Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of interest actually paid to the Bondholder (or, if applicable, the Purchaser) during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Bondholder (or, if applicable, the Purchaser) as a result of interest on the Bonds becoming included in the gross income of such Bondholder (or, if applicable, the Purchaser), together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by such Bondholder (or, if applicable, the Purchaser) in connection therewith;
- (ii) Subject to the provisions of clause (iii) below, such Bondholder (or, if applicable, the Purchaser) shall afford the County and/or the Authority the opportunity, at its sole cost and expense, to contest any challenge to the validity of the tax exemption with respect to the interest on the Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); provided that, in no event shall a Bondholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the County and/or the Authority or any other Person; and
- (iii) As a condition precedent to the exercise by the County and/or the Authority of its right to contest set forth in clause (ii) above, the County and/or the Authority, as applicable, shall, on demand, immediately reimburse such Bondholder (or, if applicable, the Purchaser), as Additional Payments, for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by such Bondholder (or, if applicable, the Purchaser) in its sole discretion) that may be incurred by the Bondholder (or, if applicable, the Purchaser) in connection with any such contest, and shall, on demand, immediately reimburse the Bondholder (or, if applicable, the Purchaser) for any and all penalties or other charges payable by such

Bondholder (or, if applicable, the Purchaser) for failure to include such interest in its gross income.

Section 3.04. Maximum Interest Rate. (i) If the amount of interest payable for any period in accordance with the terms hereof or the Bonds exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

- (ii) Any interest that would have been due and payable for any period but for the operation of the immediately preceding subclause (i) shall accrue and be payable as provided in this subclause (ii) and shall, less interest actually paid to each Bondholder for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Bondholder of the entire Excess Interest Amount.
- (iii) Notwithstanding the foregoing, on the date on which no principal amount with respect to the Bonds remains unpaid, the County and/or the Authority, as applicable, shall pay to each Bondholder as Additional Payments a fee equal to any accrued and unpaid Excess Interest Amount.

Net of Taxes, Etc. (a) Any and all payments to the Purchaser or any Section 3.05. Bondholder by the County and/or the Authority hereunder or with respect to the Bonds shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the County and/or the Authority shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Bonds, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Purchaser or such Bondholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County and/or the Authority, as applicable, shall make such deductions and (iii) the County and/or the Authority, as applicable, shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the County and/or the Authority shall make any payment under this Section to or for the benefit of the Purchaser or such Bondholder with respect to Indemnified Taxes and if the Purchaser or such Bondholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Purchaser or such Bondholder to any taxing jurisdiction in the United States of America then the Purchaser or such Bondholder shall pay to the County and/or the Authority, as applicable, an amount equal to the amount by which such other taxes are actually reduced; provided, that the aggregate amount payable by the Purchaser or such Bondholder pursuant to this sentence shall not exceed the aggregate amount previously paid by the County and/or the Authority with respect to such Indemnified Taxes. In addition, the County and/or the Authority, as applicable, agree to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Bonds or from the execution or delivery of this Agreement or the Bonds, or otherwise with respect to this Agreement or the Bonds (hereinafter referred to as "Other Taxes"). The Purchaser or such Bondholder shall provide to the County and the Authority within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the County and/or the Authority to the Purchaser or such Bondholder hereunder; provided, that the Purchaser or such Bondholder's failure to send such notice shall not relieve the County and/or the Authority, as applicable, of its obligation to pay such amounts hereunder.

(b) The County and/or the Authority, as applicable, shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Purchaser or such Bondholder for the full amount of Indemnified Taxes and Other Taxes, as Additional Payments, including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Purchaser or such Bondholder or any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the County and/or the Authority, as applicable, shall not be obligated to pay the Purchaser or such Bondholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Purchaser or such Bondholder's gross negligence or willful misconduct. The Purchaser or such Bondholder agrees to give notice to the County and the Authority of the assertion of any claim against the Purchaser or such Bondholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion;

provided, that the Purchaser or such Bondholder's failure to notify the County and the Authority promptly of such assertion shall not relieve the County and the Authority, as applicable, of its obligation under this Section. Payments by the County or the Authority, as applicable, pursuant to this Section shall be made within thirty (30) days from the date the Purchaser or such Bondholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Purchaser or such Bondholder agrees to repay to the County or the Authority, as applicable, any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the County or the Authority pursuant to this Section received by the Purchaser or such Bondholder for Indemnified Taxes or Other Taxes that were paid by the County or the Authority pursuant to this Section and to contest, with the cooperation and at the expense of the County of the Authority, any such Indemnified Taxes or Other Taxes which the Purchaser or such Bondholder or the County or the Authority reasonably believes not to have been properly assessed.

- (c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the County or the Authority, as applicable, the County or the Authority, as applicable, shall furnish to the Purchaser or such Bondholder, as applicable, the original or a certified copy of a receipt evidencing payment thereof.
- (d) Without prejudice to the survival of any other agreement of the County or the Authority hereunder, the agreements and obligations of the County or the Authority, as applicable, contained in this Section shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of the County and the Authority thereunder and hereunder for a period of three (3) years following termination of this Agreement.

Section 3.06. Obligations Absolute. The payment obligations of the County and/or the Authority, as applicable, under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances.

Notwithstanding this Section, the Purchaser acknowledges the County and/or the Authority, as applicable, may have the right to bring a cause of action with respect to certain circumstances, such as any lack of validity or enforceability of this Agreement, the Bonds or any other Related Documents. The County's and the Authority's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid. Notwithstanding anything to the contrary herein, nothing contained in this Section 3.06 shall abrogate or otherwise affect the rights of the County pursuant to Section 3.06 of the Facilities Lease.

Section 3.07. Breakage Fee. In addition to the redemption of the Bonds required under Section 6.17(b) hereof, the Bonds may be prepaid pursuant to Section 4.01 and Section 4.02 of the Trust Agreement in whole or in part at any time upon at least thirty (30) Business Days' prior written notice to the Purchaser specifying the amount of prepayment. In the event the County pursuant to this Section redeems the Bonds in whole or in part, the County shall, at the time of such prepayment, pay to the Purchaser as Additional Payments the interest accrued to the date of

prepayment plus an additional fee or redemption premium equal to the "Breakage Fee" as described in Exhibit B hereto (the "*Breakage Fee*"). Notwithstanding the foregoing, no Breakage Fee shall apply in connection with an extraordinary redemption of the Bonds under Section 4.01 of the Trust Agreement.

- Section 3.08. Nature of Obligations. (a) Notwithstanding the foregoing or any other term or payment obligation set forth herein, the obligations of the Authority under this Agreement are a special obligation of the Authority payable solely from the Revenues and Additional Payments.
- (b) Notwithstanding the foregoing or any other term or payment obligation set forth herein, the County shall have no obligation to make Lease Payments in any Rental Payment Period under the Facilities Lease in excess of the maximum annual fair market rental value of the Facilities for such period. The County hereby represents and warrants that its obligations to make Lease Payments and the obligations of the County under this Agreement are payable in accordance with the provisions of the Facilities Lease as Lease Payments (subject to the preceding sentence) and the amounts on deposit with the Trustee and held by the Trustee under the Trust Agreement. The County further represents and warrants that the obligations of the County under the Facilities Lease to make the Lease Payments are payable from the General Fund of the County and any other legally available funds of the County.

# ARTICLE IV

### CONDITIONS PRECEDENT TO PURCHASE OF BONDS

- Section 4.01. Documentary Requirements. The obligation of the Purchaser to purchase the Bonds is subject to the conditions precedent that the Purchaser shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Purchaser.
- (a) The following County and Authority authorizing resolutions and financial information:
  - (i) copies of the resolutions of the governing body of the County approving the execution and delivery of the Related Documents to which the County is a party, approving the form of the Related Documents to which it is not a party and the other matters contemplated hereby, certified by a County Representative as being true and complete and in full force and effect on the Effective Date;
  - (ii) copies of the resolutions of the governing body of the Authority approving the execution and delivery of the Related Documents to which the Authority is a party, approving the form of the Related Documents to which it is not a party and the other matters contemplated hereby, certified by an Authority Representative as being true and complete and in full force and effect on the Effective Date;
  - (iii) the audited annual financial statements of the County for the Fiscal Year ended June 30, 2016; and

- (iv) a copy of the County's Investment Policy in effect as of the Effective Date.
- (b) The following financing documents:
- (i) an executed original or certified copy, as applicable, of each of the Related Documents; and
  - (ii) a specimen copy of the Bond.
- (c) The following opinions, dated the Effective Date and addressed to the Purchaser or on which the Purchaser is otherwise expressly authorized to rely:
  - (i) from counsel to the County, opinions as to the due authorization, execution and delivery of the Related Documents to which the County is a party, no pending (with service of process of the County complete) litigation (to such counsel's knowledge) against and naming the County challenging any of the Related Documents or the issuance of the Bonds, and such other customary matters as the Purchaser may reasonably request;
  - (ii) from counsel to the Authority, opinions as to the due authorization, execution and delivery of the Related Documents to which the Authority is a party, no pending (with service of process of the Authority complete) litigation (to such counsel's knowledge) against and naming the Authority challenging any of the Related Documents or the issuance of the Bonds and such other customary matters as the Purchaser may reasonably request; and
  - (iii) from Bond Counsel, opinions to the effect that the Related Documents to which the County and/or the Authority are a party constitute the valid and binding obligations of the County and/or the Authority, as the case may be, and the interest on the Bonds is excludable from gross income for federal income tax purposes and such other customary matters as the Purchaser may reasonably request.
  - (d) The following documents and other information:
  - (i) a certificate dated the Effective Date and executed by a County Representative certifying (A) that there has been no event or circumstance since June 30, 2016, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date and (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default;
  - (ii) a certificate dated the Effective Date and executed by an Authority Representative certifying (A) that there has been no event or circumstance since June 30,

2016, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date and (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default;

- (iii) (x) a certificate dated the Effective Date and executed by a County Representative certifying the names and signatures of the persons authorized to sign, on behalf of the County, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder and (y) a certificate dated the Effective Date and executed by an Authority Representative certifying the names and signatures of the persons authorized to sign, on behalf of the Authority, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder;
- (iv) a certificate of the County that the fair rental value of the Facilities for each Base Rental Period is at least equal to maximum Lease Payments to be made under the Facilities Lease in any Rental Payment Period;
- (v) true and correct copies of all Governmental Approvals, if any, necessary for the County and the Authority to execute, deliver and perform the Related Documents to which it is a party;
- (vi) evidence of the County's hazard and rental interruption insurance for the Facilities and such other insurance in form and substance satisfactory to the Purchaser.
- (vii) an ALTA extended coverage leasehold policy of title insurance (2006) (or a commitment therefor), issued by the Title Company and in favor of the Trustee, in an amount not less than the aggregate principal amount of the Bonds, subject only to such exceptions as shall be acceptable to the Purchaser, with such endorsements and affirmative coverages as may be reasonably required by the Purchaser, and otherwise in form and substance satisfactory to the Purchaser and its counsel;
- (viii) recent evidence that the unenhanced long-term debt rating assigned by Moody's and S&P to any Parity Debt is at least "Aa3" and "AA+," respectively; and
- (ix) evidence that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Bond.
- Section 4.02. Litigation. The Purchaser shall have received a written description of all actions, suits or proceedings pending, with service of process on the County or the Authority complete, against the County or the Authority in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, if any, and such information with respect thereto as the Purchaser may reasonably request.

Section 4.03. Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement and the Related Documents shall be satisfactory to the Purchaser and its counsel, and the Purchaser shall have received such other statements, certificates, agreements, documents and information with respect to the County, the Authority and the other parties to the Related Documents and matters contemplated by this Agreement as the Purchaser may reasonably request.

Section 4.04. Payment of Fees and Expenses. On or prior to the Effective Date, the Purchaser shall have received reimbursement of the following fees and expenses of the Purchaser:

- (i) the reasonable fees and expenses of Chapman and Cutler LLP, as counsel to the Purchaser; and
- (ii) any fee payable to the California Debt and Investment Advisory Commission by the Purchaser with respect to the Bonds.

### ARTICLE V

### REPRESENTATIONS AND WARRANTIES

- Section 5.01. Representations of the County. The County makes the following representations and warranties to each Bondholder:
- (a) Existence and Power. The County is a county organized and validly existing under the Constitution and general laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.
- (b) *Due Authorization*. (i) The County has the corporate power, and has taken all necessary corporate action to authorize the Related Documents to which it is a party, and to execute, deliver and perform its obligations under this Agreement and each of the other Related Documents to which it is a party in accordance with their respective terms. The County has approved the form of the Related Documents to which it is not a party.
- (ii) The County is duly authorized and licensed to own its Property and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate such Property or business activity and the departments, agencies and political subdivisions thereof, and the County has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the County to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force

and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the County of this Agreement or the due execution, delivery or performance by the County of the Related Documents.

- (c) Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the County, and each of the Related Documents to which the County is a party, when executed and delivered by the County will be, a legal, valid and binding obligation of the County enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (d) *Non-contravention; Compliance with Law.* (i) The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with their respective terms do not and will not (A) contravene the County's authorizing legislation, (B) require any consent or approval of any creditor of the County, (C) violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations), (D) conflict with, result in a breach of or constitute a default under any contract to which the County is a party or by which it or any of its Property may be bound, including, without limitation, the Facilities, or (E) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the County or any Affiliate thereof, including, without limitation, the Facilities, except such Liens, if any, expressly created by a Related Document.
- (ii) The County is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.
- (e) Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the County or any arbitration in which service of process has been completed against the County or, to the knowledge of the County, any other action, suit or proceeding pending in which service of process has been completed against the County in any court, any other governmental authority with jurisdiction over the County or any arbitrator, in either case against the County or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the County would materially and adversely affect the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Purchaser has received an opinion of counsel satisfactory to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.

- (f) Financial Statements. The audited financial statements of the County as at June 30, 2016, and the related consolidated statement of activities and changes in net assets and the consolidated statement of cash flows for the Fiscal Year then ended, and accompanying notes thereto, which financial statements, accompanied by the audit report of [\_\_\_\_\_\_], nationally recognized independent public accountants, heretofore furnished to the Purchaser, which are consistent, except to the extent stated therein, in all material respects with the audited financial statements of the County for the Fiscal Year ended June 30, 2015, fairly present the financial condition of the County in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP. Since June 30, 2016, there has been no material adverse change in the financial condition or operations of the County that could reasonably be expected to result in a Material Adverse Effect.
- (g) Employee Benefit Plan Compliance. Except as previously disclosed in writing to the Purchaser, the County has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material Adverse Effect. The County and each employee benefit plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto. Neither the County nor a member of the Controlled Group is subject to ERISA or maintains a Plan.
- (h) *No Defaults*. No default by the County has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Parity Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the County are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The County is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The County is not in violation of any material term of the authorizing legislation applicable to the County or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.
- (i) *Insurance*. The County currently maintains a system of self-insurance and extended insurance coverage with insurance companies believed by the County to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the County (as determined in its reasonable discretion) and in full compliance with the Facilities Lease and Section 6.04 hereof.
- (j) Title to Assets and Facilities. The County has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect. The Facilities Lease is in full force and effect. The County, as lessee under the Facilities Lease, has beneficial use and occupancy of each of the Facilities. The Trustee has not granted to the County or the Authority any waiver, indulgence or postponement of any of the County's obligations under the Facilities Lease. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Facilities Lease.

The County has a valid and enforceable fee simple interest in the Facilities, subject only to Permitted Encumbrances.

- (k) Incorporation by Reference. The representations and warranties of the County contained in the other Related Documents to which the County is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the County in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.
- Correct Information. All written information, reports and other papers and data with respect to the County furnished by the County to the Purchaser were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the County to the Purchaser were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Purchaser in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the County, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the County that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Bonds, or the ability of the County to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.01(1) or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser. The documents furnished and statements made by the County in connection with the negotiation, preparation or execution of this Agreement and the Related Documents did not, as of the date furnished or made, contain untrue statements of material facts or, when taken as a whole, omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- (m) *Investment Company*. The County is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.
- (n) *Margin Stock*. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the issuance of the Bonds will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

- (o) *Tax-Exempt Status*. The County has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of interest on the Bonds from State personal income taxes.
- (p) *Usury*. The County is authorized to enter into this Agreement and the transactions contemplated hereby by Section [\_\_\_\_] of the California Government Code. In accordance with Section [\_\_\_\_] of the California Government Code, the obligations of the Authority under the Related Documents and the Bonds and all other Obligations hereunder are not subject to any limitation as to maximum interest-rate.
- (q) *Nature of Obligations*. The Bonds and the other Obligations are payable from the Lease Payments appropriated from the County's general fund.
- (r) Pending Legislation and Decisions. There is no amendment, or to the knowledge of the County, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially and adversely affect the issuance of any of the Bonds, the security for any of the Bonds or any Obligation, the creation, organization, or existence of the County or the titles to office of any officers executing this Agreement or any Related Documents to which the County is a party or the County's ability to repay when due its obligations under this Agreement, any of the Bonds or any other Obligation.
- (s) *Trustee*. [Wells Fargo Bank, National Association] is the duly appointed and acting Trustee for the Bonds.
- (t) Environmental Matters. (i) The operations of the County are, to the County's knowledge after reasonable diligence with respect thereto, in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect and (ii) the operations of the County with respect to the Facilities are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect and or a material adverse effect on the annual fair market rental value of any of the Facilities.
- (u) *No Immunity*. The County is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action,

suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or the Revenues or Additional Payments might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the County or the Revenues or Additional Payments.

- (v) No Public Vote or Referendum. To the knowledge of the County after reasonable diligence with respect thereto, there is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.
- (w) Fees Are Additional Payments. Other than the principal and interest on the Bonds which constitute Base Rental Payments under the Facilities Lease, the amounts payable by the Authority to the Purchaser and the other Bondholders hereunder constitute Additional Payments under Section 3.02 of the Facilities Lease that the County is obligated to pay to the Authority or the Trustee for payment to the Purchaser or to the Purchaser directly.
- (x) Fair Rental Value. The total Lease Payments for the Facilities for each Rental Payment Period do not exceed the fair rental value of the Facilities for each such period. In making such determination of fair rental value, consideration has been given to the uses and purposes which may be served by each of the Facilities and the benefits therefrom which will accrue to the County and the general public.
- (y) *Essentiality*. The Facilities are essential assets of the County necessary to serve the needs of the residents of the County. The County believes that at all times while any Lease Payments or any obligation of the County under the Related Documents remains unpaid, each of the Facilities will remain essential assets of the County.
- (z) Anti-Terrorism Laws. (i) The County is not in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act;
  - (ii) The County is not any of the following:
  - (A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (B) a Person controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (C) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

- (D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
- (E) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;
- (iii) The County does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.
- Section 5.02. Representations of the Authority. The Authority makes the following representations and warranties to each Bondholder:
- (a) Existence and Power. The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State pursuant to an agreement entitled "Amended and Restated Joint Exercise of Powers Agreement," dated June 16, 2015, by and between the County and the Contra Costa County Flood Control and Water Preservation District, and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.
- (b) *Due Authorization*. (i) The Authority has the corporate power, and has taken all necessary corporate action to authorize the Related Documents to which it is a party, and to execute, deliver and perform its obligations under this Agreement and each of the other Related Documents to which it is a party in accordance with their respective terms. The Authority has approved the form of the Related Documents to which it is not a party.
- (ii) The Authority is duly authorized and licensed to own its Property and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate such Property or business activity and the departments, agencies and political subdivisions thereof, and the Authority has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the Authority to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is

required for the due execution, delivery and performance by the Authority of this Agreement or the due execution, delivery or performance by the Authority of the Related Documents.

- (c) Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the Authority, and each of the Related Documents to which the Authority is a party, when executed and delivered by the Authority will be, a legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (d) *Non-contravention; Compliance with Law.* (i) The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with their respective terms do not and will not (A) contravene the Authority's authorizing legislation, (B) require any consent or approval of any creditor of the Authority, (C) violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations), (D) conflict with, result in a breach of or constitute a default under any contract to which the Authority is a party or by which it or any of its Property may be bound, including, without limitation, the Facilities, or (E) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the Authority or any Affiliate thereof, including, without limitation, the Facilities, except such Liens, if any, expressly created by a Related Document.
- (ii) The Authority is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.
- (e) Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Authority or any arbitration in which service of process has been completed against the Authority or, to the knowledge of the Authority, any other action, suit or proceeding pending in which service of process has been completed against the Authority in any court, any other governmental authority with jurisdiction over the Authority or any arbitrator, in either case against the Authority or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the Authority would materially and adversely affect the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Purchaser has received an opinion of counsel satisfactory to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.
- (f) Employee Benefit Plan Compliance. Except as previously disclosed in writing to the Purchaser, the Authority has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material

Adverse Effect. The Authority and each employee benefit plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto. Neither the Authority nor a member of the Controlled Group is subject to ERISA or maintains a Plan.

- (g) No Defaults. No bankruptcy, insolvency or other similar proceedings pertaining to the Authority are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The Authority is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Authority or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.
- (h) *Title to Assets and Facilities*. The Authority has good and marketable leasehold title to the Facilities pursuant to the Site Lease free and clear of all encumbrances, security interests, liens or other charges, except for Permitted Encumbrances. The Site Lease is in full force and effect. The Authority, as lessee under the Site Lease, is in peaceable possession of the Facilities. The Trust Agreement creates a valid first priority security interest in favor of the Trustee in the Revenues and, as of the Effective Date, all necessary action on the part of the Authority has been taken as required (other than delivery of possession or after acquired moneys, securities and instruments to the Trustee) to pledge and grant a valid security interest in the Revenues for the benefit of the Purchaser and the other Bondholders under the Trust Agreement prior to any pledge, lien, assignment or security interest of any other creditors of the Authority. The Base Rental Payments have been validly assigned by the Authority to the Trustee and no further action or approval is necessary.
- (i) Incorporation by Reference. The representations and warranties of the Authority contained in the other Related Documents to which the Authority is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Authority in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.
- (j) Correct Information. All written information, reports and other papers and data with respect to the Authority furnished by the Authority to the Purchaser were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Authority to the Purchaser were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Purchaser in writing, the representations contained in this Agreement being

limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Authority, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Authority that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Bonds, or the ability of the Authority to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.02(j) or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser. The documents furnished and statements made by the Authority in connection with the negotiation, preparation or execution of this Agreement and the Related Documents did not, as of the date furnished or made, contain untrue statements of material facts or, when taken as a whole, omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

- (k) *Investment Company*. The Authority is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.
- (l) *Margin Stock*. The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the issuance of the Bonds will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.
- (m) *Tax-Exempt Status*. The Authority has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of interest on the Bonds from State personal income taxes.
- (n) *No Immunity*. The Authority is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or the Revenues or Additional Payments might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Authority or the Revenues or Additional Payments.
- (o) *Usury*. The Authority is authorized to enter into this Agreement and the transactions contemplated hereby by Section [\_\_\_\_] of the California Government Code. In accordance with Section [\_\_\_\_] of the California Government Code, the obligations of the Authority under the Related Documents and the Bonds and all other Obligations hereunder are not subject to any limitation as to maximum interest-rate.

- (p) Anti-Terrorism Laws. (i) The Authority is not in violation of any Anti-Terrorism Laws, including the Executive Order and the Patriot Act;
  - (ii) The Authority is not any of the following:
  - (A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (B) a Person controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (C) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
  - (D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
  - (E) a Person that is named as a "specially designated national and blocked person" on the most current list published by OFAC or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;
- (iii) The Authority does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

## ARTICLE VI

### COVENANTS OF THE COUNTY AND THE AUTHORITY

The County and the Authority, as applicable, covenant and agree, until the full and final payment and satisfaction of all of the Obligations, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

- Section 6.01. Existence, Etc. The County shall maintain its existence pursuant to its authorizing legislation and the laws of the State. The Authority shall maintain its existence pursuant to its Joint Exercise of Powers Agreement (described in Section 5.02(a) hereof) and the laws of the State.
- Section 6.02. Maintenance of Properties. Each of the County and the Authority shall, in all material respects, maintain, preserve and keep its Property, including, without limitation, the Facilities, in good repair, working order and condition (ordinary wear and tear excepted), except

to the extent that the failure to do so could reasonably be expected to result in a Material Adverse Effect.

Section 6.03. Compliance with Laws; Taxes and Assessments. Each of the County and the Authority shall comply with all Laws applicable to it and its Property, including, without limitation, the Facilities, except where non-compliance could not reasonably be expected to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon it or its Property, including, without limitation, the Facilities, before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the County or the Authority, as applicable, are adequate.

Section 6.04. Insurance. The County shall maintain a system of self-insurance and extended insurance coverage with reputable insurance companies or associations believed by the County at the time of purchase of such insurance to be financially sound and in such amounts and covering such risks as are usually carried by organizations engaged in the same or similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage. With respect to the Facilities:

- (a) The County, at all times, shall insure each of the Facilities against such risks as are customarily insured against with respect to similar facilities and against loss or damage from such hazards, against loss of use of such Facilities, and risks to the person and property of others as are usually insured or reserved against by those with rights and interests in projects similar to such Facilities. The foregoing shall be satisfied if the County maintains the insurance described in Sections 5.01 and 5.02 of the Facilities Lease.
- (b) The County, at all times, shall maintain, or cause to be maintained, rental interruption insurance in an amount not less than the aggregate Lease Payments for a period of twenty-four (24) months, to insure against loss of rental income from any of the Facilities caused by perils covered by the insurance required in Section 5.01 of the Facilities Lease. Such insurance shall be in place as of the Effective Date and may be maintained as part of or in conjunction with any other rental interruption insurance carried by the County. The rental interruption insurance required by this Section shall not be maintained in the form of self-insurance.
- (c) The County shall maintain or cause to be maintained all other insurance as required by Article V of the Facilities Lease on the Facilities.

Section 6.05. Reports. The County and the Authority, as applicable, shall furnish to the Purchaser in form and detail satisfactory to the Purchaser:

(a) Annual Report. The County has entered into continuing disclosure undertakings in connection with its publicly offered municipal securities pursuant to which not later than March 31 (or the next succeeding Business Day if March 31 is not a Business Day) of each year (each, a "Filing Date") the County is obligated to file with EMMA the annual audited financial statements of the County for the prior Fiscal Year

together with the opinion of the County's independent accountants (collectively, the "Audited Financial Statements") which shall be available for review by the Purchaser, provided that if the County ceases to file its Audited Financial Statement with EMMA or such Audited Financial Statements are not otherwise available for review by the Purchaser, the County shall provide such Audited Financial Statements to the County on or prior to each Filing Date. The County shall provide to the Purchaser not later than each Filing Date, commencing March 31, 2018, a Compliance Certificate signed by the County Representative stating that no Default or Event of Default or Default has occurred, or if such Default or Event of Default or Default has occurred, specifying the nature of such Default or Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Default or Event of Default.

- (b) *Budget*. As soon as available, and in any event within thirty (30) days following the approval or adoption thereof, the operating budget of the County.
- (c) *Trustee Notices.* As soon as available all notices, certificates, instruments, letters and written commitments in connection with the Bonds provided to the Trustee other than those notices, certificates, instruments, letters and written commitments that relate solely to the routine issuance and payment of the Bonds.
- (d) Notices of Resignation of the Trustee. As promptly as practicable, written notice to the Purchaser of any resignation of the Trustee immediately upon receiving notice of the same.
- (e) Offering Memorandum and Material Event Notices. (A) Within ten (10) days after the issuance of any securities by or on behalf of the County with respect to which a final official statement or other offering or disclosure document has been prepared by or on behalf of the County (1) a copy of such official statement or offering circular or (2) notice that such information has been filed with EMMA and is publicly available; and (B) during any period of time the County or the Authority is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, (1) a copy of any reportable event notice (as described in b(5)(i)(C) of Rule 15c2-12) disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements or (2) notice that such event notice has been filed with EMMA and is publicly available.
- (f) Notice of Default or Event of Default. (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within five (5) days thereafter, a certificate signed by a County Representative specifying in reasonable detail the nature and period of existence thereof and what action the County has taken or proposes to take with respect thereto; (ii) promptly following a written request of the Purchaser, a certificate of a County Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement;

and (iii) promptly upon obtaining knowledge of any "default" or "event of default" as defined under any Bank Agreement, notice specifying in reasonable detail the nature and period of existence thereof and what action the County has taken or proposes to take with respect thereto.

- (g) *Litigation*. As promptly as practicable, written notice to the Purchaser of all actions, suits or proceedings pending or threatened against the County or the Authority in court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to result in a Material Adverse Effect.
- (h) Other Information. Such other information regarding the business affairs, financial condition and/or operations of the County and the Authority and the Facilities as the Purchaser may from time to time reasonably request.

Section 6.06. Maintenance of Books and Records. The County and the Authority will keep proper books of record and account with respect to the County, the Authority and the Facilities in which full, true and correct entries in accordance with GAAP. All financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the County and the Authority shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 5.06 hereof.

Section 6.07. Access to Books and Records. To the extent permitted by law, the County and the Authority will permit any Person designated by the Purchaser (at the expense of the Purchaser, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the County or the Authority, as applicable) to visit any of the offices of the County or the Authority, to examine the books and financial records (except books and financial records the examination of which by the Purchaser is prohibited by law or by attorney or client privilege) or the County or the Authority, as applicable, including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the County or the Authority, as applicable, with their principal officials, all at such reasonable times and as often as the Purchaser may reasonably request.

Section 6.08. Compliance With Documents. Each of the County and the Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Trust Agreement and each of the other Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Purchaser and shall be enforceable against the County or the Authority, as applicable. To the extent that any such incorporated provision permits the County or the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other

instrument or any event or condition be acceptable or satisfactory to the County or the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Purchaser in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Purchaser which shall only be evidenced by the written approval by the Except as permitted by Section 6.15 hereof, no termination or Purchaser of the same. amendment to such covenants and agreements or defined terms or release of the County or the Authority with respect thereto made pursuant to the Trust Agreement or any of the other Related Documents to which the County or the Authority is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the County or the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Purchaser. Notwithstanding any termination or expiration of the Trust Agreement or any such other Related Document to which the County or the Authority is a party, the County and the Authority shall continue to observe the covenants therein contained for the benefit of the Purchaser until the termination of this Agreement and the payment in full of the Bonds and all other Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

### Section 6.09. Reserved.

Section 6.10. Further Assurances. From time to time hereafter, the County and the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Purchaser may reasonably request for the purposes of implementing or effectuating the provisions of the Related Documents to which the County or the Authority is a party or for the purpose of more fully perfecting or renewing the rights of the Purchaser with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the County or the Authority which may be deemed to be a part thereof). Upon the exercise by the Purchaser of any power, right, privilege or remedy pursuant to the Related Documents to which the County or the Authority is a party which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the County and the Authority will, to the fullest extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Purchaser may be required to obtain for such governmental consent, approval, registration, qualification or authorization. At any time, and from time to time, upon request by the Purchaser, the County and the Authority will, at the County's expense, correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents to which the County or the Authority is a party or protect the Purchaser's interests, security, rights and remedies with respect to the Revenues and Additional Payments or its security under the Trust Agreement or hereunder. At all times, the County and the Authority will defend, preserve and protect the pledge of certain funds pursuant to the Trust Agreement and all the rights of the Purchaser hereunder and under the Trust Agreement against all claims and demands of all Persons whosoever.

- Section 6.11. No Impairment. Neither the County nor the Authority will take any action, or cause the Trustee to take any action, under the Trust Agreement or any other Related Document which would materially and adversely affect the rights, interests, remedies or security of the Purchaser under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect.
- Section 6.12. Application of Bond Proceeds. Neither the County nor the Authority will take or omit to take any action, which action or omission will in any way result in the proceeds from the issuance of the Bonds being applied in a manner other than as provided in the Trust Agreement.
- Section 6.13. Trustee. Neither the County nor the Authority will, without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld) remove, or seek to remove, the Trustee. The County and the Authority shall at all times maintain a Trustee pursuant to the terms of the Trust Agreement that is acceptable to the Purchaser.
- Section 6.14. Limitation on Voluntary Liens. Neither the Authority nor the County shall create a pledge, lien or charge on any part of the Facilities provided by the Trust Agreement other than the lien in favor of holders of the Bonds. The County and the Authority covenant (i) to keep the Facilities and all parts thereof free from Liens other than Permitted Encumbrances; and (ii) promptly, upon request of the Purchaser, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Facilities or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.
- Section 6.15. Related Documents. Neither the County nor the Authority will amend or modify, or permit to be amended or modified in any manner whatsoever any Related Document in a manner which would materially and adversely affect the County's or the Authority's ability to repay Debt or which materially and adversely affects the security for the Bonds or the other Obligations or the County's or the Authority's ability to repay when due the Bonds or the other Obligations or the interests, security, rights or remedies of the Purchaser without the prior written consent of the Purchaser.
- Section 6.16. Lease Payments. The County and the Authority will not issue or authorize the issuance of any obligation payable from the Lease Payments due under the Facilities Lease other than the Bonds.
- Section 6.17. Redemptions. (a) The County shall provide thirty (30) days written notice to the Purchaser prior to the date of any proposed optional redemption or purchase in lieu of redemption of Bonds pursuant to the Trust Agreement.
- (b) The County shall cause the Bonds to be redeemed pursuant to Section 2.02(a) of the Trust Agreement in the principal amounts and by the dates specified in Schedule 6.17(b) hereto.
- Section 6.18. Disclosure to Participants, Purchaser Transferees and Non-Purchaser Transferees. The County and the Authority shall permit the Purchaser to disclose the financial

information received by it pursuant to this Agreement to each participant, Purchaser Transferee and Non-Purchaser Transferee pursuant to Section 9.13 of this Agreement, subject to confidentiality restrictions and use restrictions customary for financial institutions.

Section 6.19. Other Agreements. In the event that the County and/or the Authority has or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement (or amendment thereto) provides the Person party thereto with different or more restrictive covenants, additional or different events of default and/or greater rights and remedies (excluding such greater rights or remedies that by their nature are inapplicable to continuing covenant agreements or similar facilities entered into in connection with direct purchase transactions) than are provided to the Purchaser in this Agreement (all such different or more restrictive covenants, additional and different events of default and/or greater rights or remedies are referred to herein as "Additional Rights"), then, upon the occurrence of an event of default or an event or condition that with the giving of notice or lapse of time or both would become an event of default or if the County and/or the Authority shall engage in any discussions with a creditor under a Bank Agreement in anticipation of such event of default or event or condition occurring (each such event referred to herein as a "Potential Default/Event of Default") caused by such Additional Rights, such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Purchaser shall have the benefits of such Additional Rights so long as such Additional Rights remain in effect; provided, however, that such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights only from and after the occurrence of any such Potential Default/Event of Default under the related Bank Agreement caused by the Additional Rights or a failure by the County and/or the Authority to comply with such Additional Rights. The County and/or the Authority, as applicable, shall promptly, upon the occurrence of Potential Default/Event of Default under the related Bank Agreement caused by such Additional Rights or a failure by the County and/or the Authority to comply with such Additional Rights, give notice thereof to the Purchaser, and enter into an amendment to this Agreement to include such Additional Rights, provided that the Purchaser shall maintain the benefit of such Additional Rights regardless of whether this Agreement is amended only so long as such Additional Rights remain in effect.

Section 6.20. Immunity from Jurisdiction. To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, each of the County and the Authority irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and each of the County and the Authority hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and the Revenues and Additional Payments (irrespective of their use or intended use), all such immunity.

Section 6.21. Swap Contracts. Without the prior written consent of the Purchaser, neither the County nor the Authority will enter into any Swap Contract relating to Debt (i) wherein any

termination payments thereunder are senior in priority of payment to the payment of the Bonds or the other Obligations or (ii) which requires the County or the Authority, as applicable, to post cash collateral to secure its obligations thereunder.

- Section 6.22. Budget and Appropriation. To the fullest extent permitted and/or required by State law, the County shall cause the appropriate County official(s) to take any and all ministerial actions that may be necessary to facilitate the payment of the principal of and interest on the Bonds and the payment of all other Obligations. Subject to the Facilities Lease, the County agrees to include all Lease Payments due under the Facilities Lease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Lease Payments, including, without limitation, upon acceleration of the Obligations pursuant to Section 7.02 hereof. The covenants on the part of the County herein contained and in the Facilities Lease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants and agreements.
- Section 6.23. Use of Purchaser's Name. (a) Except as may be required by Law (including, but limited to, federal and state securities Laws), the neither the County nor the Authority shall use any financial information of the Purchaser's or the Purchaser's long or short-term debt ratings in any published materials without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld).
- (b) The County and the Authority agree that they shall not post any of the Related Documents or any amendment hereto or thereto on EMMA or any other website until the Purchaser or its counsel has provided redacted versions thereof or such amendment, as applicable, to the County and the Authority for posting thereon.
- Section 6.24. Maintenance of Tax-Exempt Status of Bonds. Neither the County nor the Authority shall take any action or omit to take any action which, if taken or omitted, could result in a Determination of Taxability.
- Section 6.25. ERISA. The County and the Authority shall not be, and shall not permit a member of the Controlled Group to be, subject to ERISA and shall not maintain, nor permit a member of the Controlled Group to maintain, a Plan. The County and the Authority and each employee benefit plan shall remain in compliance in all material respects with the terms of any such plan and applicable law related thereto, except to the extent that a failure to do so could reasonably be expected to result in a Material Adverse Effect.
- Section 6.26. Investment Policy. All investments of the County have been and will be made in accordance with the terms of the Investment Policy.
- Section 6.27. Environmental Laws. The County and the Authority shall (x) comply with all applicable Environmental Laws and cure any defect thereto (or cause other Persons to effect any such cure) to the extent necessary to bring any of the Facilities back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority

having jurisdiction thereover and (y) take all reasonable action to prevent any material adverse effect on or reduction of the fair market rental value of any of the Facilities or any other Material Adverse Effect to occur as a result of the Authority's or the County's operation of any of the Facilities. The County and the Authority shall at all times use commercially reasonable efforts to render or maintain each of the Facilities safe and fit for their respective intended uses. The County and the Authority shall also immediately notify the Purchaser of any actual or alleged material failure to so comply with or perform, or any material breach, violation or default under any Environmental Law with respect to any of the Facilities.

- Section 6.28. Federal Reserve Board Regulations. The County shall not use any portion of the proceeds of the Purchase Price of the Bonds for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the County out of such proceeds.
- Section 6.29. Underlying Rating. The County shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least two Rating Agencies. The County covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.
- Section 6.30. Repayment of Purchaser and other Bondholders. (a) If at any time any amount is owing on the Bonds or any other amount is owing to the Purchaser and the other Bondholders hereunder, and the County and the Authority are unable, or reasonably foresee that they will be unable, to increase Lease Payments in an amount sufficient to pay the Purchaser, the staff of the County and the Authority shall use their respective best efforts to either: (i) provide for the substitution of new real property for one or more of the Facilities, such new real property to have a fair rental value sufficient to support Lease Payments sufficient to pay the amounts owing on the Bonds and all other Obligations owing to the Purchaser and the other Bondholders hereunder, (ii) support the issuance of bonds or other certificates of participation sufficient in value to pay the debt service on the Bonds and pay all other Obligations owing to the Purchaser and the other Bondholders hereunder or (iii) request an appropriation, from the County's General Fund of legally available funds in an amount sufficient to pay all debt service on the Bonds and to pay all other Obligations owing to the Purchaser and the other Bondholders hereunder.
- (b) Upon receipt of notice from the Purchaser of the acceleration of the Obligations pursuant to Section 7.02 hereof, the Authority shall increase the Lease Payments under the Facilities Lease in each Rental Payment Period to the Maximum Annual Rent.
- (c) The County and the Authority agree to extend the term of the Site Lease and/or the Facilities Lease in accordance with Section 2 thereof and Section 2.02 thereof, respectively, if on the stated expiration thereof, any amounts remain owing on the Bonds or hereunder.
- Section 6.31. Disaster Relief. If any of the Facilities are damaged by an earthquake, or other disaster or emergency is declared by a local government, the Governor of the State of California, or the President of the United States, the Office of Emergency Services, the Federal

Emergency Management Agency, or other similar agency, the County and/or the Authority, as applicable, shall apply for federal, state and local disaster relief funds in the maximum amount permitted under federal, state and local law, respectively, and apply all such designated funds received as required under the Facilities Lease.

- Section 6.32. Voluntary Rent Abatement. Except as permitted by State law and the terms of the Facilities Lease, the County shall not seek or assert a claim for abatement of rental payments under the Facilities Lease.
- Section 6.33. Operation and Maintenance of the Facilities. To the extent funds are legally available, the County shall maintain and preserve each of the Facilities and all buildings, facilities and equipment constituting any part of the Facilities with respect to facilities of like size and character. The County shall not abandon or vacate any of the Facilities, except as permitted by the Facilities Lease. The County shall from time to time make all necessary and proper repairs, renewals and replacements to each of the Facilities, consistent with the protection of the Purchaser. If any event shall occur such that abatement is authorized under the Facilities Lease, the [Executive Director] of the Authority and the [\_\_\_\_\_\_] of the County shall use their best efforts to bring forward at the earliest possible date a plan to mitigate any such abatement for consideration of the Authority Board and the County Council, respectively.
- Section 6.34. Compliance with Laws; Taxes and Assessments. The County and the Authority will not violate any laws, rules, regulations or governmental orders to which it is subject, which violation involves a reasonable likelihood of materially and adversely affecting its financial condition, business or results of operations.
- Section 6.35. Fair Rental Value. In the event that fair rental value of the Facilities is not sufficient to make the Lease Payments and/or Additional Payments required pursuant to this Agreement and the Trust Agreement, such unpaid Lease Payments and/or Additional Payments shall be deferred until such time as the fair rental value of the Facilities will support payment of such unpaid Lease Payments and/or Additional Payments.
- Section 6.36. Substitution or Removal of Property; Sale and Transfers. (a) The County and the Authority will not substitute or remove (other than pursuant to Section 2.02 or Section 2.03 of the Facilities Lease) or cause the substitution or removal (other than pursuant to Section 2.02 or Section 2.03 of the Facilities Lease) of any portion of the Facilities subject to the leasehold under the Facilities Lease without the prior written consent of the Purchaser (such consent to not be unreasonably withheld or delayed), and otherwise satisfying the conditions precedent to such substitution or removal set forth in Section 2.02 or Section 2.03 of the Facilities Lease, as applicable.
- (b) The County and the Authority will not transfer, sell, lease, convey or otherwise dispose of, any interest in the Facilities, except for those permitted by the terms of the Related Documents.

#### ARTICLE VII

#### **EVENTS OF DEFAULT**

- Section 7.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an "Event of Default" hereunder, unless waived in writing by Purchaser:
  - (a) the Authority shall fail to pay the principal of or interest on any Bond when due:
  - (b) the County or the Authority shall fail to pay any Obligation (other than the Authority's obligation to pay the principal of or interest on the Bonds) and such failure shall continue for three (3) Business Days;
  - (c) any representation or warranty made by or on behalf of the County or the Authority in this Agreement or in any other Related Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;
  - (d) the County or the Authority, as applicable, shall default in the due performance or observance of any of the covenants set forth in Section 6.01, 6.11, 6.15, 6.16, 6.20, 6.21, 6.22, 6.28, 6.29, 6.32 or 6.36 hereof;
  - (e) the County or the Authority, as applicable, shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the earlier to occur of the date on which (i) the County or the Authority has actual knowledge of such default or (ii) the Purchaser provides notice to the County or the Authority of such default; *provided*, *however*, that if such default can be cured by the County or the Authority within a reasonable time period and so long as the County or the Authority is proceeding diligently within such thirty (30) days to remedy such default, such curative period shall be extended up to an an additional thirty (30) days so as to permit such default to be cured;
  - (f) the County or the Authority shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading

denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

- (g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the County or the Authority or any substantial part of its Property, or a proceeding described in Section 7.01(f)(v) shall be instituted against the County or the Authority and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;
- (h) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the County or the Authority by the County or the Authority or any Governmental Authority with appropriate jurisdiction;
- (i) (i) any provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds or (B) the validity or enforceability of the pledge of the Revenues or any other pledge or security interest created by the Trust Agreement shall at any time for any reason cease to be valid and binding on the County or the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;
- (ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds or any Parity Debt, or (B) the validity or enforceability of the pledge of the Revenues or any other pledge or security interest created by the Trust Agreement shall be publicly contested by the [identify appropriate County officials] of the County or the [identify appropriate Authority officials] of the Authority; or
- (iii) any other material provision of this Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the County or the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the County or the Authority;
  - (j) dissolution or termination of the existence of the County or the Authority;
- (k) the County or the Authority, as applicable, shall (i) default on the payment of the principal of or interest on any Cross-Default Parity Debt beyond the period of grace, if any, provided in the instrument or agreement under which such Cross-Default Parity Debt was created or incurred; or (ii) default in the observance or performance of

any agreement or condition relating to any Cross-Default Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto beyond the period of grace, if any, provided in the instrument or agreement under which such Cross-Default Parity Debt was created or incurred, provided that the County or the Authority shall have actual knowledge of such default, the effect of which default is to cause or permit to cause (determined without regard to whether any notice is required) any such Cross-Default Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Cross-Default Parity Debt;

- (1) the County or the Authority, as applicable, shall (i) default on the payment of the principal of or interest on any Parity Debt (excluding any Cross-Default Parity Debt) issued in an original principal amount of \$25,000,000 or more beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt (excluding any Cross-Default Parity Debt) issued in an original principal amount of \$25,000,000 or more or contained in any instrument or agreement evidencing, securing or relating thereto beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred, provided that the County or the Authority shall have actual knowledge of such default, the effect of which default is to cause or permit to cause (determined without regard to whether any notice is required) any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;
- (m) any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Purchaser, in an aggregate amount not less than \$25,000,000 shall be entered or filed against the County or the Authority or against any of their Property and remain unpaid pursuant to the terms of the applicable judgment, unvacated, unbonded or unstayed for a period of ninety (90) days;
- (n) any "event of default" under any Related Document (as defined respectively therein) shall have occurred; or
- (o) any of Fitch, Moody's or S&P shall have downgraded its rating of any long-term unenhanced Parity Debt to below "BBB+" (or its equivalent), "Baa1" (or its equivalent), or "BBB+" (or its equivalent) respectively, or suspended or withdrawn its rating of the same.

- Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):
  - (a) by written notice to the Trustee, the County and the Authority, declare the outstanding amount of the Obligations under this Agreement (including, without limitation, the Bonds but solely in accordance with Section 7.02(b) hereof) to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;
  - (b) deliver a written notice to the Trustee, the County and the Authority that an Event of Default has occurred and is continuing and direct the Trustee, the County and the Authority, as applicable, to cause an acceleration of the Bonds or take such other remedial action as is provided for in the Trust Agreement); *provided*, *however*, that from and after the occurrence of an Event of Default, the outstanding Bonds shall be paid or caused to be paid by the Authority in each year in an amount equal to the Maximum Annual Rent for the related Rental Payment Period less any other amounts paid hereunder or under the Trust Agreement in accordance with the terms hereof and thereof; provided further, however, that payments of Base Rental under the Facilities Lease shall not be accelerated;
  - (c) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the County and/or the Authority under the Related Documents, whether for specific performance of any agreement or covenant of the County or in aid of the execution of any power granted to the Purchaser in the Related Documents:
  - (d) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Purchaser shall have no obligation to effect such a cure; and
  - (e) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in Section 7.02(b) hereof) and as otherwise available at law and at equity;

provided, however, that notwithstanding any acceleration of the Bonds, the Purchaser, the Authority and the County acknowledge that Lease Payments may not be accelerated under the Facilties Lease.

Section 7.03. Remedies Cumulative; Solely for the Benefit of Purchaser. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every

right, power and remedy herein specifically given to the Purchaser in the Related Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Purchaser, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Purchaser specified herein are for the sole and exclusive benefit, use and protection of the Purchaser, and the Purchaser is entitled, but shall have no duty or obligation to the County, the Authority, the Trustee or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Purchaser hereunder or under any of the other Related Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Purchaser shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Purchaser shall have the unqualified right so to do and, in such event, the County, the Authority and the Purchaser shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser hereunder shall continue as if the same had never been invoked.

## **ARTICLE VIII**

#### INDEMNIFICATION

Section 8.01. Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the County and the Authority hereby agree (to the extent permitted by law), as Additional Payments, to indemnify and hold harmless the Purchaser and each other Bondholder and its officers, directors and agents (each, an "Indemnitee") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the "Liabilities") by reason of or in connection with (a) the execution and delivery or transfer of, or payment or failure to pay under, any Related Document; (b) the issuance and sale of the Bonds; and (c) the use of the proceeds of the Bonds; provided that neither the County nor the Authority shall be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused

by the willful misconduct or gross negligence of such Indemnitee. Nothing under this Section 8.01 is intended to limit the County's and Authority's payment of the Obligations.

Section 8.02. Survival. The obligations of the County and the Authority under this Article VIII shall survive the payment of the Bonds and the termination of this Agreement.

#### ARTICLE IX

#### **MISCELLANEOUS**

Section 9.01. Patriot Act Notice; Government Regulations. (a) The Purchaser hereby notifies the County and the Authority that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the County and the Authority, which information includes the name and address of the County and the Authority and other information that will allow the Purchaser to identify the County and the Authority in accordance with the Patriot Act. Each of the County and the Authority hereby agrees that it shall promptly provide such information upon request by the Purchaser.

(b) The County and the Authority each hereby represents and warrants and covenants and agrees (i) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC or the Department of the Treasury or included in any executive orders, that prohibits or limits the Purchaser from making any advance or extension of credit to the County or the Authority or from otherwise conducting business with the County or the Authority and (ii) to ensure that the proceeds of the extensions of credit hereunder shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 9.02. Further Assurances. From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the County and/or the Authority, as applicable, will, at its respective expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Trust Agreement. Upon any failure by the County or the Authority to do so, the Purchaser or the Trustee may make, execute and record any and all such instruments, certificates and other documents for and in the name of the County and/or the Authority, as applicable, all at the sole expense of the County or the Authority, as applicable, and the County and the Authority hereby appoint the Purchaser and the Trustee the agent and attorney-in-fact of the County and the Authority to do so, this appointment being coupled with an interest and being irrevocable. In addition, at any time, and from time to time, upon request by the Purchaser or the Trustee, the County and/or the Authority, as applicable,

will, at its respective expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser or the Trustee, be necessary or desirable in order to verify the County's and the Authority's identity and background in a manner satisfactory to the Purchaser or the Trustee, as the case may be.

Section 9.03. Amendments and Waivers; Enforcement. The Purchaser, the County and the Authority may from time to time enter into agreements amending, modifying or supplementing this Agreement or the other Related Documents or changing the rights of the Purchaser or the County hereunder or thereunder, and the Purchaser may from time to time grant waivers or consents to a departure from the due performance of the obligations of the County hereunder or thereunder. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 9.04. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Purchaser in exercising any right, power or privilege under this Agreement or the other Related Documents shall affect any other or future exercise thereof or exercise of any right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Purchaser under this Agreement are cumulative and not exclusive of any rights or remedies which the Purchaser would otherwise have under any Related Document, at law or in equity.

Section 9.05. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

The Authority: County of Contra Costa Public Financing

Authority

c/o County Administrator's Office

County of Contra Costa

County Administration Building 651 Pine Street, 10th Floor

Martinez, California 94553

Facsimile: (925) 646-1353 Telephone: (925) 335-1080 The County: County of Contra Costa

County Administration Building 651 Pine Street, 10th Floor Martinez, California 94553

Attention: Clerk of Board of Supervisors

Facsimile: (925) 646-1353 Telephone: (925) 335-1080

The Purchaser: Wells Fargo Bank, National Association

100 West Washington Street, 20th Floor

Phoenix, Arizona 85003 Attention: Bradley Schroeder Facsimile: (877) 302-2804 Telephone: (602) 378-5755

with a copy to:

Wells Fargo Municipal Capital Strategies, LLC

\_\_\_\_

Attention: Readie Callahan

Facsimile: Telephone:

The Trustee: Wells Fargo Bank, National Association

1700 Lincoln Street, 10th Floor

Denver, Colorado 80203

Attention: Corporate Trust Services

Facsimile: ( ) [\_\_\_\_\_]
Telephone: (415) 371-2651

The Purchaser may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

Section 9.06. Right of Setoff. (a) Upon the occurrence of an Event of Default, the Purchaser or any other Bondholder may, at any time and from time to time, without notice to the County or any other person (any such notice being expressly waived), set off and appropriate and apply against and on account of any Obligations under this Agreement, without regard to whether or not the Purchaser or such Bondholder shall have made any demand therefor, and although such Obligations may be contingent or unmatured, any and all deposits (general or special, including but not limited to deposits made pursuant to this Agreement and Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust

accounts, such as restricted donor accounts) and any other Debt at any time held or owing by such Bondholder to or for the credit or the account of any or all of the County

(b) Each Bondholder agrees promptly to notify the County after any such set-off and application referred to in subsection (a) above, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (a) above, the rights of a Bondholder under this Section 9.06 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Bondholder may have.

Section 9.07. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Bondholders any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 9.08. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 9.09. Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial. (a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of California without giving effect to conflicts of law provisions.

- (b) EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE OF CALIFORNIA AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE OF CALIFORNIA. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE OF CALIFORNIA AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT. REGARDLESS OF WHETHER THE PARTY'S ACTIONS TOOK PLACE IN THE STATE OF CALIFORNIA OR ELSEWHERE IN THE UNITED STATES, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION.
- (c) To the extent permitted by applicable Laws, each of the parties hereto hereby waives its right to a jury trial of any claim or cause of action based upon or arising out of this Agreement, the Related Documents or any of the transactions contemplated hereby or thereby, including contract claims, tort claims, breach of duty claims, and all other common law or statutory claims. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, each of the parties hereto hereby consents to the adjudication of all claims pursuant to judicial reference as provided in California Code of Civil

PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

- (d) The covenants and waivers made pursuant to this Section 9.09 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.
- Section 9.10. Prior Understandings. This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.
- Section 9.11. Duration. All representations and warranties of the County and the Authority contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other Related Documents. All covenants and agreements of the County and the Authority contained herein shall continue in full force and effect from and after the date hereof until the Obligations have been fully discharged.
- Section 9.12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

## Section 9.13. Successors and Assigns.

(a) Successors and Assigns Generally. This Agreement is a continuing obligation and shall be binding upon the County and the Authority, their successors, transferees and assigns and shall inure to the benefit of the Bondholders and their respective permitted successors, transferees and assigns. Neither the County nor the Authority may assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the Purchaser. Each Bondholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Bonds and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Bondholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Bondholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Wells Fargo Bank, National Association shall be the Purchaser hereunder until such time as the Majority Bondholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the County, the Authority and the Trustee and such

Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Bondholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the County, the Authority and the Trustee, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Wells Fargo Bank, National Association or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

- (b) Sales and Transfers by Bondholder to a Purchaser Transferee. Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Bonds to a Person that is (i) a Purchaser Affiliate or (ii) a trust or other custodial arrangement established by the Purchaser or a Purchaser Affiliate, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the 1933 Act (each, a "Purchaser Transferee"). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Related Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the County, the Authority and the Trustee shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the County and the Authority.
- (c) Sales and Transfers by Bondholder to a Non-Purchaser Transferee. Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees which are not Purchaser Transferees but each of which constitutes a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act (each a "Non-Purchaser Transferee") all or a portion of the Bonds if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Purchaser Transferee, together with addresses and related information with respect to the Non-Purchaser Transferee, shall have been given to the County, the Authority, the Trustee and the Purchaser (if different than the Bondholder) by such selling Bondholder and Non-Purchaser Transferee, and (B) the Non-Purchaser Transferee shall have delivered to the County, the Authority, the Trustee and the selling Bondholder, an investment letter in substantially the form delivered by the Purchaser on the Effective Date (the "Investor Letter").

From and after the date the County, the Authority, the Trustee and the selling Bondholder have received written notice and an executed Investor Letter, (A) the Non-Purchaser Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Bondholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Purchaser Transferee, and any reference to the assigning Bondholder hereunder and under the other Related Documents shall thereafter refer to such transferring Bondholder and to the Non-Purchaser Transferee to the extent of their respective interests, and (B) if the transferring

Bondholder no longer owns any Bonds, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

- (d) *Participations*. The Purchaser shall have the right to grant participations in all or a portion of the Purchaser's interest in the Bonds, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the County, the Authority and the Trustee shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Bonds and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the County or the Authority, as applicable.
- (e) Certain Pledges. The Purchaser may at any time pledge or grant a security interest in all or any portion of its rights under the Bonds, this Agreement and the Related Documents to secure obligations of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 9.14. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any Related Document), the County and the Authority acknowledge and agree that: (a)(i) any arranging, structuring and other services regarding this Agreement and the Related Documents provided by the Purchaser or any Affiliate of the Purchaser are arm's length commercial transactions between the County and/or the Authority on the one hand, and the Purchaser and any Affiliate of the Purchaser on the other hand, (ii) the County and the Authority have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the County and the Authority are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated by this Agreement and the Related Documents; (b)(i) the Purchaser and each Affiliate of the Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the County, the Authority or any other Person and (ii) neither the Purchaser nor any Affiliate of the Purchaser has any obligation to the County or the Authority with respect to the transactions contemplated by this Agreement and the Related Documents, except those obligations expressly set forth herein; and (c) the Purchaser and each Affiliate of the Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the County and/or the Authority, and neither the Purchaser nor any Affiliate of the Purchaser has any obligation to disclose any of such interests to the County or the Authority. To the fullest extent permitted by Applicable Laws, the County and the Authority hereby waive and release any claims that they may have against the Purchaser and each Affiliate of the Purchaser with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Agreement and the Related Documents.

Section 9.15. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.16. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records For purposes hereof, "electronic signature" means a exception to the hearsay rule. manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:
Name:
Title:
COUNTY OF CONTRA COSTA
n.
By:
Name:
Title:
COUNTY OF CONTRA COSTA PUBLIC FINANCING
AUTHORITY
_
By:
Name:
Title:

#### EXHIBIT A

### FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this "Certificate") is furnished to Wells Fargo Bank, National Association (the "Purchaser") pursuant to the Continuing Covenant Agreement dated as of March 1, 2017 (the "Agreement"), among the County of Contra Costa (the "County"), the County of Contra Costa Financing Authority and Purchaser. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

- 1. I am the duly elected [chief financial officer] of the County;
- 2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the County during the accounting period covered by the attached financial statements;
- 3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; [and]
- 4. The financial statements required by Section 6.05 of the Agreement and being furnished to you concurrently with this certificate fairly represent the consolidated financial condition of the County in accordance with GAAP as of the dates and for the periods covered thereby.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature
of the condition or event, the period during which it has existed and the action which the County
has taken, is taking, or proposes to take with respect to each such condition or event:

 	 	_
 	 	_

The foregoing certifications and the fire		
support hereof, are made and delivered this	day of	, 20
	COUNTY OF CONTRA CO	OSTA
	•	
	Name:	
	Title:	

#### EXHIBIT B

Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as follows:

"Break Date" means any date that an optional redemption is made.

"Break Event" means any optional redemption.

"Calculation Agent" will be Wells Fargo Bank, National Association. If for any reason Wells Fargo Bank, National Association is unable or unwilling to calculate the Breakage Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the County with the consent of the Purchaser.

"Day Count Fraction" is the anticipated basis on which interest at the Fixed Rate is to be computed on each of the Bonds. The Day Count Fraction utilizes a 360-day year and consisting of twelve 30-day months.

"Reference Rate" means the [Reference Rate%].

"Scheduled Due Date" means each date specified on the Amortization Schedule attached as Schedule I hereto.

"Schedule of Principal Amount" is the anticipated principal amount of the Bonds scheduled to be outstanding on the date the Bond is funded and on the Scheduled Due Date. The Schedule of Principal Amounts for the Scheduled Due Dates is specified on the Amortization Schedule attached as Schedule I hereto.

1. In connection with any Break Event, a Breakage Fee shall be paid by the County if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding any Break Date and will be calculated for the Bonds as follows:

"Breakage Fee" for any Break Event is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

- (1) the "Calculation Agent" computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from the Scheduled Due Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;
- (2) the "Affected Principal Amount" for an Affected Principal Period is the principal amount of the Bonds reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;
- (3) "Affected Principal Period" is each period from and including a Scheduled Due Date to but excluding the next succeeding Scheduled Due Date; provided, however, if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;
- (4) "Prepayment Fraction" means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Bond and the Trust Agreement to reduce the amount of the prepayment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and
- (5) "Break Rate" means, for any Break Date, and with respect to each Bond, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a semi-annual basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date for such Bond;

2. The Calculation Agent shall determine the Breakage Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent's determination shall be conclusive and binding in the absence of manifest error.

# SCHEDULE I

# AMORTIZATION SCHEDULE

Scheduled Date

**Schedule of Principal Amounts** 

## **Contra Costa Times**

175 Lennon Lane, Suite 100 Walnut Creek, CA 94598 925-943-8019

2004197

CLERK OF THE BOARD OF SUPERVISORS STEPHANIE MELLO 651 PINE ST., 1ST FL. MARTINEZ, CA 94553-1275

# PROOF OF PUBLICATION FILE NO. 2017 Bonds CCC 2/14/17

In the matter of

#### **Contra Costa Times**

I am a citizen of the United States. I am over the age of eighteen years and I am not a party to or interested in the above entitled matter. I am the Legal Advertising Clerk of the printer and publisher of the Contra Costa Times, a newspaper published in the English language in the City of Walnut Creek, County of Contra Costa, State of California.

I declare that the Contra Costa Times is a newspaper of general circulation as defined by the laws of the State of California as determined by court decree dated October 22, 1934, Case Number 19764. Said decree states that the Contra Costa Times is adjudged to be a newspaper of general circulation for the City of Walnut Creek, County of Contra Costa and State of California. Said order has not been revoked.

I declare that the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

02/08/2017

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Executed at Walnut Creek, California. On this 8th day of February, 2017.

whi I lord

Signature

Legal No.

0005899313

# COUNTY OF CONTRA COSTA

# NOTICE OF PUBLIC HEARING ON PROPOSED ISSUANCE OF BONDS

NOTICE IS HEREBY GIVEN pursuant to Section 6586.5 of the Government Code of the State of California, that a public hearing will be held by the County of Contra Costa, California (the "County"), on February 14, 2017 at 9:30 a.m., at the Chambers of the Board of Supervisors of the County located at 651 Pine Street in the City of Martinez, California, which is located within the County, in connection with plans by the County of Contra Costa Public Financing Authority (the "Authority") to issue Lease Revenue Bonds (Refunding and Various Capital Projects), 2017 Series A (the "Bonds") in an amount not to exceed \$105,000,000.

The Bonds will be issued to finance and refinance various capital improvements and projects for the County located within the County, which may include one or more of the following:

#### Potential Uses of the Bond Proceeds:

Refunding the Authority's Lease Revenue Bonds, 2007 Series A, 2007 Series B and 2009 Series A:

Improve Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez;

Expand and Improve Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg;

Improve Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and

Improve the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo.

Members of the public are invited to attend the aforementioned hearing, which will provide a reasonable opportunity for interested individuals to express their views on the plan of financing.

Dated: February 8, 2017

COUNTY OF CONTRA COSTA, CALIFORNIA

By: /s/ David J. Twa Clerk of the Board of Supervisors of the County of Contra Costa, State of California CCT #5899313; Feb. 8, 2017



Contra Costa County

To: Contra Costa County Public Financing Authority

From: David Twa, County Administrator

Date: February 14, 2017

Subject: AUTHORIZE ISSUANCE OF LEASE REVENUE BONDS, 2017 SERIES A

## **RECOMMENDATION(S):**

Acting as the Governing Board of the County of Contra Costa Public Financing Authority:

- 1. ADOPT Resolution No. 2017/56, approving the issuance by the Contra Costa Public Financing Authority of Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A, in a principal amount not to exceed \$105,000,000 to finance various capital projects and a refunding of outstanding bonds for savings;
- 2. APPROVE and AUTHORIZE the forms of and directing the execution and delivery of a Trust Agreement, Site Lease, Facilities Lease, a Continuing Covenant Agreement, an Escrow Agreement and related financing documents; and
- APPROVE and AUTHORIZE the taking of necessary actions and the execution of necessary documents in connection therewith.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	✓ APPROVED AS RECOMMENDED ☐ OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Timothy Ewell, 925-335-1036	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc: Hon. Robert R. Campbell, Auditor-Controller, Hon. Russell V. Watts, Treasurer-Tax Collector, Rebecca Hooley, Deputy County Counsel, Diana Oyler, Public Works Department

## **FISCAL IMPACT:**

Issuance of up to \$105 million in bond financing. In current market conditions, the County expects to issue \$9.525 million for new capital projects and approximately \$90.075 to refund existing lease revenue bonds. The refunding of eligible bonds at current market rates will save the County approximately \$9.3 million on a net present value basis through 2028.

## BACKGROUND:

The County has improvements to the Contra Costa Regional Medical Center, the Pittsburg Health Center, Contra Costa Health Services and the Women, Infant & Children Building in the approximate amount of \$9.5 million. In addition, a portion of the Authority's existing Lease Revenue Bonds can be refunded in the current market for debt service savings. In the current market, the Authority could issue approximately \$99,600,000 of fixed rate direct purchase 2017 Series A Bonds (the "2017A Bonds") to finance various improvements and to refund the Authority's outstanding 2007 Series A, 2007 Series B, and 2009 Series A Lease Revenue Bonds.

## • New Money Bonds:

• Capital Improvements - The Authority would finance approximately \$9,500,000 in various capital improvements. The bonds would have level debt service and amortize over 10 years, with principal paid from 2018 through 2027, in an approximate amount of \$1.08 million per year.

## • Refunding Bonds:

- The refunding portion of the 2017A Bonds would be structured with uniform savings by refunded series, and would include the 2007 A&B bonds and 2009A bonds, with a cumulative refunded principal amount of \$117 million.
- There is a debt service reserve fund associated with the refunded 2007 Series A and B bonds, a portion of which is funded with cash. The cash associated with the reserve fund will be contributed to the refunding escrow and will reduce the amount of bonds needed to be issued to refund the 2007A and B bonds. Refunding savings are dependent on market rates, but we anticipate a total cash flow savings of \$24.6 million and a net present value savings of \$9.25 million, or 7.91%, based on current market rates.

**1999 Trust Agreement:** The 2007 Series A and B potential refunded bonds were issued pursuant to the 1999 Trust Agreement and are the only bonds remaining under that Trust Agreement. The refunding of these bonds will release the leased assets from the 1999 Trust Agreement.

The 2017A Bonds would be issued under a new 2017 Trust Agreement. As with the Authority's existing Lease Revenue Bonds, the total value of the leased facilities must equal or exceed the par amount of the bonds and the fair market rental value of the leased facilities must equal or exceed the annual debt service payments on the bonds. The 2017A Bonds are not expected to have level overall debt service because the refunded bonds do not have level debt service. As such, the intention would be to secure the 2017A Bonds with several assets, with various lease maturity dates based on the shape of the 2017A debt service.

All of the above results are subject to market conditions at the time of financing.

Various documents are necessary to complete the financing and refunding, including a Trust Agreement, Site Lease, Facilities Lease, a Continuing Covenant Agreement, an Escrow Agreement and related financing documents (collectively, the "Financing Documents"). Through the Site Lease, the County leases certain facilities to the Authority. The County then leases back the facilities leased to the Authority under the Facilities Lease. Based on the revenue from the lease back of the facilities, and pursuant to the terms of the Trust Agreement, the Authority issues bonds and Wells Fargo Bank, National Association (WFB) acts as trustee for the bonds. Finally, under the terms of the Continuing Covenant Agreement, WFB will purchase the bonds and the County and Authority will take certain actions and deliver certain documents. The terms of the Continuing Covenant contain WFB's remedies in the event that the County or Authority default on their respective obligations and requires the County and Authority to indemnify WFB for actions related to various Financing Documents and the bonds.

## **CONSEQUENCE OF NEGATIVE ACTION:**

The Authority will be unable to issue the bonds, delaying construction and reimbursement of capital projects. In addition, the County would be unable to realize savings from refunding of existing debt.

## **CHILDREN'S IMPACT STATEMENT:**

No impact.

## **ATTACHMENTS**

Resolution No. 2017/56

Body of Resolution No. 2017/56

Trust Agreement

**Facilities Lease** 

Site Lease

**Escrow Agreement** 

Continuing Covenant Agreement

## THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	SEAL OF
NO:	
ABSENT:	
ABSTAIN:	
RECUSE:	MA COUNTY

Resolution No. 2017/56

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS, 2017 SERIES A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$105,000,000 TO FINANCE VARIOUS CAPITAL PROJECTS AND TO REFUND VARIOUS OUTSTANDING LEASE REVENUE BONDS, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, A SITE LEASE, A FACILITIES LEASE, A CONTINUING COVENANT AGREEMENT, AN ESCROW AGREEMENT AND RELATED FINANCING DOCUMENTS; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND EXECUTION OF NECESSARY DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the County of Contra Costa (the "County") and the Contra Costa County Flood Control and Water Conservation District have entered into an Amended and Restated Joint Exercise of Powers Agreement, dated June 16, 2015 pursuant to an amendment of the Joint Exercise of Powers Agreement, dated as of April 7, 1992 (as amended, the "Joint Powers Agreement"), between the County and the Contra Costa County Redevelopment Agency which Joint Powers Agreement creates and establishes the County of Contra Costa Public Financing Authority (the "Authority");

**WHEREAS**, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing public capital improvements whenever there are significant public benefits;

WHEREAS, pursuant to a Trust Agreement, dated as of February 1, 1999 (as previously amended and supplemented, the "1999 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as successor trustee (the "Trustee"), the Authority issued \$122,065,000 of its Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), and \$110,265,000 of its Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds") in order to finance and refinance capital projects for the County;

**WHEREAS**, pursuant to a Trust Agreement, dated as of June 1, 2009 (the "2009 Trust Agreement"), by and between the Authority and Trustee, the Authority issued \$25,061,614.90 of its Lease Revenue Bonds (Capital Project Program), 2009 Series A (the "2009 Series A Bonds," and collectively with the 2007 Refunded Bonds, the "Refunded Bonds") in order to finance and refinance capital projects for the County;

**WHEREAS**, the County has requested the Authority to assist the County in the refunding and defeasance of the Refunded Bonds in order to produce debt service savings resulting in significant public benefits for the County;

WHEREAS, the County Board of Supervisors has requested the Authority to assist the County in financing all or a portion of the cost of various public capital projects, including, but not limited to, (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo (collectively, the "2017 Project");

**WHEREAS**, the County has requested and approved the Authority's issuance of County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds") in an amount sufficient to finance the 2017 Project, refund the Refunded Bonds and pay related costs of issuance;

WHEREAS, in accordance with the requirements of Section 6586.5 of the Act, a public hearing regarding the financing of the

2017 Project proposed herein was heretofore conducted by the County on February 14, 2017;

**WHEREAS**, notice of such hearing was published at least five days prior to such hearing in a newspaper of general circulation in the County;

**WHEREAS**, the County has determined that the financing of the 2017 Project by the issuance of the Bonds by the Authority will result in significant public benefits to the County, including demonstrable savings in effective interest rate, bond preparation, or bond issuance costs;

**WHEREAS**, it is proposed that the Authority and the Trustee enter into a trust agreement (the "Trust Agreement"), acknowledged by the County, and, pursuant to the Trust Agreement, the Authority will issue the Bonds in an aggregate principal amount not to exceed \$105,000,000;

**WHEREAS**, it is proposed that the Authority enter into a site lease (the "Site Lease") pursuant to which the County will lease certain real property, including, but not limited to the facilities described in the Site Lease (collectively with all such property to be leased pursuant to the Site Lease (the "2017 Facilities"), to the Authority;

**WHEREAS**, it is proposed that the Authority enter into a facilities lease (the "Facilities Lease") pursuant to which it will lease back the 2017 Facilities to the County;

**WHEREAS**, under the Facilities Lease, the County will be obligated to make base rental payments to the Authority which the Authority will cause to be used to pay debt service on the Bonds;

**WHEREAS**, the County deems it necessary and desirable to authorize the sale of the Bonds by a direct purchase to Wells Fargo Bank, National Association or one of its affiliates (the "Purchaser") pursuant to a Continuing Covenant Agreement among the County, the Authority and the Purchaser (the "Continuing Covenant Agreement");

**WHEREAS**, a form of Escrow Agreement with respect to the 2007 Refunded Bonds (the "Escrow Agreement") between the Authority and the Trustee, as escrow agent, has been prepared;

WHEREAS, Montague DeRose and Associates, LLC, is serving as financial advisor (the "Financial Advisor") to the County and the Authority, and Nixon Peabody LLP is serving as bond counsel ("Bond Counsel") to the County and the Authority in connection with the financing and refinancing;

**WHEREAS**, this Board has been presented with the substantially final form of each document referred to herein relating to the Bonds, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the Authority has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized; and

WHEREAS, the Authority expects to finance the 2017 Project and to refund the Refunded Bonds on a tax-exempt basis;

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: February 14, 2017

Contact: Timothy Ewell, 925-335-1036

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By:, Deputy

cc: Hon. Robert R. Campbell, Auditor-Controller, Hon. Russell V. Watts, Treasurer-Tax Collector, Rebecca Hooley, Deputy County Counsel, Diana Oyler, Public Works Department

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the County of Contra Costa Public Financing Authority, as follows:

Section 1. The foregoing recitals are true and correct and this Board so finds and determines.

Section 2. The issuance and sale of the Bonds by the Authority, in a principal amount not to exceed \$105,000,000, for the financing of the 2017 Project, the refunding of the Refunded Bonds and the payment of related transaction costs is hereby authorized and approved.

Section 3. The form of Site Lease on file with the Secretary of the Board of Directors is hereby approved, and the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Executive Director of the Authority or the Deputy Executive Director of the Authority or any designee of any such official (the "Authorized Signatories") and the Secretary of the Board of Directors or any Assistant Secretary of the Board of Directors (the "Secretary"), each acting alone, are hereby authorized and directed to execute and deliver, and the Secretary to attest, the Site Lease in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term thereof shall end on the date on which all Base Rental Payments and Additional Payments due and owing under the Facilities Lease are paid in full, not to exceed a term of 20 years.

Section 4. The form of Facilities Lease on file with the Secretary is hereby approved, and any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver, and the Secretary to attest, the Facilities Lease in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum annual base rental payments payable under the Facilities Lease shall not exceed \$21 million and the term of the Facilities Lease (including any extensions) shall end on the date on which all of the Base Rental Payments and Additional Payments have been paid in full; provided that in the event the obligation of the County to pay Base Rental Payments or Additional Payments is abated for any period under the Facilities Lease, the term of the Facilities Lease shall extend until such time as all Base Rental Payments and Additional Payments set forth in the Facilities Lease have been paid in full, *provided* that the term of the Facilities Lease shall not extend more than ten years following the last Base Rental Payment date set forth in the Facilities Lease.

Section 5. The form of Trust Agreement on file with the Secretary is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver, and the Secretary to attest, the Trust Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of Continuing Covenant Agreement on file with the Secretary of the Authority is hereby approved. Any one of the Authorized Signatories is hereby authorized and directed, for and in the name and on behalf of the Authority, to accept the offer of the Purchaser to purchase the Bonds as reflected in the Continuing Covenant Agreement; and to

execute and deliver the Continuing Covenant Agreement in substantially the form on file with the Secretary of the Authority, with such additions, deletions, changes and corrections therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however that (i) the interest rate on the Bonds (excluding any default rate or taxable rate) shall not exceed a true interest cost of three and a half percent (3.5%) per annum, and (ii) the refunding of the Refunded Bonds shall result in savings in accordance with the County's Debt Management Policy.

Section 7. The proposed form of Escrow Agreement on file with the Secretary is hereby approved. Any one of the Authorized Signatories, each acting alone, is hereby authorized and directed to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the acknowledgement thereof

Section 8. The Authorized Signatories are each hereby authorized to enter into one or more investment agreements, float contracts, other hedging products that are authorized under the County's Debt Policy from time to time (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Authorized Signatories shall deem appropriate including providing investments with terms up to the final maturity date of the Bonds. Pursuant to Section 5922 of the California Government Code, this Board hereby finds and determines that the Investment Agreement is designed to reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

The Authorized Signatories and other officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, modifying the bond caption and series designation of the Bonds, executing and delivering documents related to transfers of real property, lease terminations, title clarifications, property acceptances, signature certificates, no-litigation certificates and tax and rebate certificates, and execution of any escrow instructions and documents in connection with the refunding and defeasance of the Refunded Bonds. The Authorized Signatories and the County Finance Director on behalf of the Authority are hereby authorized and directed to execute and deliver any and all certificates, instructions as to investments, written requests and other certificates necessary and desirable to administer the Bonds and the Trust Agreement or other documents authorized hereunder including executing the Written Requests of the Authority authorizing disbursements from the Costs of Issuance Fund for payment of costs of issuance such as legal and financial advisor fees, trustee's fees, title insurance premiums, insurance premiums and reserve surety premiums (if any), publication and printing costs and similar expenses of the bond financing.

Section 10. The Board hereby confirms the appointments of the following officers of the County as officers of the Authority: County Administrator as Executive Director and Secretary; County Public Works Director as Assistant Executive Director; Chief Assistant County Administrator as Deputy Executive Director; County Finance Director as Deputy Executive Director; County Auditor Controller as Treasurer; and County Finance Director as Assistant Secretary and authorizes the Secretary to appoint and carry out his duties through deputies.

Section 11. All actions heretofore taken by the officers and agents of the Authority with respect to the issuance and sale of the Bonds are hereby approved and confirmed.

	Section 12.	This	Resolution	shall	take	effect	from	and	after	its	date	of
adoption.												
PASS	SED AND ADO	)PTED	this 14 <sup>th</sup> da	y of Fe	ebruar	y, 2017						
					Chair	r of the	Board	of D	irector	<u> </u>		
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				J						J		,
ATTEST:												
Ι	Deputy Secretar	y										

## SECRETARY'S CERTIFICATE

The undersigned, Deputy Secretary of the Board of Directors of the County of Contra Costa Public Financing Authority, hereby certifies as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said Authority duly and regularly held at the regular meeting place thereof on the 14<sup>th</sup> day of February, 2017, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

An agenda of said meeting was posted at least 96 hours before said meeting at the County Administration Building, 651 Pine Street, Martinez, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

The foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting; said resolution has not been amended, modified or rescinded since the date of its adoption; and the same is now in full force and effect.

WITNESS my hand this 14<sup>th</sup> day of February, 2017.

Deputy Secretary	

## TRUST AGREEMENT

by and between the

## COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION as Trustee

Dated as of [March] 1, 2017

\$[\_\_\_\_]
County of Contra Costa Public Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects),
2017 Series A

# TABLE OF CONTENTS

	I	Page
ARTICLE I DEFINITIONS;	EQUAL SECURITY	3
SECTION 1.01	Definitions	3
SECTION 1.02	Equal Security	
SECTION 1.03	Interpretation	
	1110.19.20.00.3	
	Authorization of Bonds	
SECTION 2.01		
SECTION 2.02	Terms of the Bonds	
SECTION 2.03	Form of Bonds	
SECTION 2.04	Execution of Bonds	
SECTION 2.05	Transfer and Payment of Bonds	
SECTION 2.06	Exchange of Bonds	
SECTION 2.07	Bond Registration Books	17
SECTION 2.08	Mutilated, Destroyed, Stolen or Lost Bonds; Temporary	
	Bonds	
SECTION 2.09	Special Covenant as to Book-Entry Only System for Bonds	
ARTICLE III ISSUANCE O	F Bonds	19
SECTION 3.01	Procedure for the Issuance of Bonds	19
SECTION 3.02	Project Fund	20
SECTION 3.03	Intentionally Left Blank	21
SECTION 3.04	Intentionally Left Blank	
SECTION 3.05	Limitations on the Issuance of Obligations Payable From	
	Revenues	21
ARTICLE IV REDEMPTIO	N OF BONDS	21
SECTION 4.01	Extraordinary Redemption	. 21
SECTION 4.02	Optional Redemption	
SECTION 4.03	[Mandatory Sinking Fund Redemption	
SECTION 4.04	Selection of Bonds for Redemption	
SECTION 4.05	Notice of Redemption; Cancellation; Effect of Redemption	
SECTION 5.01	Pledge of Revenues and Assignment	
SECTION 5.02	Receipt and Deposit of Revenues in the Revenue Fund	24
SECTION 5.03	Establishment and Maintenance of Accounts for Use of	
	Money in the Revenue Fund	
SECTION 5.04	Application of Insurance Proceeds	
SECTION 5.05	Deposit and Investments of Money in Accounts and Funds	26
ARTICLE VI COVENANTS	S OF THE AUTHORITY	27
SECTION 6.01	Punctual Payment and Performance	27
SECTION 6.02	Against Encumbrances	

# TABLE OF CONTENTS

(continued)

		Page
SECTION 6.03	Rebate Fund	27
SECTION 6.04	Tax Covenants	
SECTION 6.05	Accounting Records and Reports	
SECTION 6.06	Prosecution and Defense of Suits	
SECTION 6.07	Further Assurances	28
SECTION 6.08	Maintenance of Revenues	29
SECTION 6.09	Amendments to Facilities Lease and Site Lease	29
SECTION 6.10	Leasehold Estate	30
SECTION 6.11	Intentionally Left Blank	
ARTICLE VII EVENTS OF	DEFAULT AND REMEDIES OF BONDHOLDERS	31
SECTION 7.01	Events of Default and Acceleration of Maturities	31
SECTION 7.02	Application of Funds Upon Acceleration	
SECTION 7.03	Institution of Legal Proceedings by Trustee	
SECTION 7.04	Non-Waiver	
SECTION 7.05	Remedies Not Exclusive	
SECTION 7.06	[Bondholders' Direction of Proceedings	
SECTION 7.07	Limitation on Bondholders' Right to Sue	
ARTICLE VIII THE TRUS	TEE	
SECTION 8.01	The Trustee	3/
SECTION 8.02	Liability of Trustee	
SECTION 8.03	Compensation and Indemnification of Trustee	
	NT OF THE TRUST AGREEMENT	
SECTION 9.01	Amendment of the Trust Agreement	
SECTION 9.02	Disqualified Bonds.	
SECTION 9.03	Endorsement or Replacement of Bonds After Amendment Notice to and Consent of Bondholders	
SECTION 9.04		-
SECTION 9.05	Amendment by Mutual Consent	
ARTICLE X DEFEASANC	E	40
SECTION 10.01	[Discharge of Bonds	
SECTION 10.02	Unclaimed Money	41
ARTICLE XI MISCELLAN	IEOUS	42
SECTION 11.01	Liability of Authority Limited to Revenues	42
SECTION 11.02	Benefits of this Trust Agreement Limited to Parties and	
	Third Party Beneficiaries	42
SECTION 11.03	Successor Is Deemed Included in All References to	
	Predecessor	42
SECTION 11.04	Execution of Documents by Bondholders	43
SECTION 11.05	Waiver of Personal Liability	
SECTION 11.06	Intentionally Left Blank	
	•	

# TABLE OF CONTENTS

# (continued)

			Page
SEC	CTION 11.07	Accounts and Funds	43
SEC	CTION 11.08	Business Day	43
SEC	CTION 11.09	Notices	43
SEC	CTION 11.10	Article and Section Headings and References	44
SEC	TION 11.11	Partial Invalidity	44
SEC	CTION 11.12	Governing Law	44
SEC	CTION 11.13	Execution in Several Counterparts	45
Exhibit A	Form of 2017	7 Series A Bond	A-1
Exhibit B	Form of Req	uisition – Project Fund	B-1
Exhibit C	Form of Reg	uisition – Costs of Issuance	C-1

THIS TRUST AGREEMENT dated as of [March] 1, 2017 (the "Trust Agreement"), by and between the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority duly organized and existing pursuant to an agreement entitled "Amended and Restated Joint Exercise of Powers Agreement" by and between the County of Contra Costa and the Contra Costa County Flood Control and Water Conservation District, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the "Trustee");

#### WITNESSETH:

**WHEREAS**, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the "Act");

**WHEREAS**, Article 4 of the Act authorizes and empowers the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the Authority has issued \$122,065,000 of its Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), and \$110,265,000 of its Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds") pursuant to a Trust Agreement, dated as of February 1, 1999 (as supplemented and amended, the "1999 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "2007 Trustee") successor to U.S. Bank National Association, as trustee;

**WHEREAS**, the Authority has issued \$25,061,614.90 of its Lease Revenue Bonds (Capital Project Program), 2009 Series A (the "2009 Refunded Bonds," and collectively with 2007 Refunded Bonds, the "Refunded Bonds") pursuant to a Trust Agreement, dated as of June 1, 2009 (as supplemented and amended, the "2009 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "2009 Trustee");

**WHEREAS**, the County of Contra Costa (the "County") following a public hearing duly noticed and held, has determined that the consummation of the transactions contemplated in the Site Lease (as hereinafter defined), the Facilities Lease (as hereinafter defined), the Continuing Covenant Agreement (as hereinafter defined) and this Trust Agreement will result in significant public benefits;

**WHEREAS**, the Authority is empowered pursuant to the Facilities Lease and Article 4 of the Act to cause the lease of the Facilities (as hereinafter defined), and to cause the financing of the Project (as hereinafter defined) and the refunding of the Prior Bonds through the issuance of its bonds;

**WHEREAS**, the County has determined to finance and refinance various capital projects as set forth in Exhibit D to the Facilities Lease (as amended from time to time, the "Capital Projects");

**WHEREAS**, the Authority intends to assist the County in financing and refinancing the Capital Projects and refunding all of the Refunded Bonds by issuing the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds");

**WHEREAS**, the County will lease to the Authority certain capital assets of the County (the "Facilities") pursuant to the Site Lease;

**WHEREAS**, the County will lease back the Facilities from the Authority pursuant to the terms of the Facilities Lease;

**WHEREAS**, the Authority has authorized the issuance of the Bonds, in an aggregate principal amount of [\_\_\_\_\_] dollars (\$[\_\_\_\_]) to assist in financing a portion of the Capital Projects and refunding the Refunded Bonds;

**WHEREAS**, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the Capital Projects and the refunding of the Refunded Bonds, from which significant public benefit will be achieved, the Bonds shall be issued pursuant to Article 4 of the Act;

**WHEREAS**, to provide for the authentication and delivery of the Bonds (as hereinafter defined), to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority and authenticated and delivered by the Trustee, duly issued and the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth, have been done and taken, and have been in all respects duly authorized;

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

#### ARTICLE I

#### DEFINITIONS; EQUAL SECURITY

- SECTION 1.01 <u>Definitions</u>. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facilities Lease.
- "Act" means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.
- "Authority" means the County of Contra Costa Public Financing Authority created pursuant to the Act and its successors and assigns in accordance herewith (as defined in the recitals).
- "Authorized Denominations" means, with respect to the Bonds, \$[100,000] or any integral multiple thereof.
- "Bond Counsel" means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.
- "**Bond Year**" means the twelve (12)-month period ending on June 1 of each year to which reference is made.
- "Bondholder" or "Owner" means any person who shall be the registered owner of any Outstanding Bond.
- "**Bonds**" means Authority's Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A executed, issued and delivered in accordance with Section 2.02(a) and Section 3.01.
- "Business Day" means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California or in any state in which the office of the Trustee or the Purchaser is located are authorized to remain closed or a day on which the Federal Reserve system is closed.
- "Breakage Fee" has the meaning given to such term in the Continuing Covenant Agreement.
- "Capital Projects" means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of the Project, as described in the Facilities Lease, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed by a portion of the proceeds of the Bonds.

"Certificate of the Authority" means an instrument in writing signed by any of the following officials of the Authority: Chair, Vice-Chair, Executive Director, Assistant Executive Director or Deputy Executive Director or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

"Certificate of the County" means an instrument in writing signed by any of the following County officials: the Chair of the Board of Supervisors, the County Administrator of the County, the Treasurer-Tax Collector of the County or the County Finance Director or by any such officials' duly appointed designee, or by any other officer of the County duly authorized by the Board of Supervisors of the County for that purpose.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of March 1, 2017, among the Authority, the County and Wells Fargo Bank, National Association, as originally executed and as it may from time to time be amended, supplemented, modified or restated in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the County or the Authority and related to the authorization, execution and delivery of the Facilities Lease, the Site Lease, the Continuing Covenant Agreement, this Trust Agreement and the issuance and sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, title search and title insurance fees, fees of the Authority and any other authorized cost, charge or fee in connection with the issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.01.

"County" means the County of Contra Costa, a County organized and validly existing under the Constitution and general laws of the State.

"Debt Service" means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or other period on all Outstanding Bonds, assuming that all Outstanding Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds so long as such funded interest is in an amount equal to the gross amount necessary to pay such interest on the Bonds and is invested in Permitted Investments which mature no later than the related Interest Payment Date) and (2) the principal amount of all Outstanding Bonds required to be redeemed or paid (together with the redemption premiums, if any, thereon) during such Fiscal Year or other period; provided, that the foregoing shall be subject to adjustment and recalculation.

"Default Rate" has the meaning given to such term in the Continuing Covenant Agreement.

**Depository**" means DTC or another recognized securities depository selected by the Authority which maintains a book-entry system for the Bonds.

"**Determination of Taxability**" has the meaning given to such term in the Continuing Covenant Agreement.

"DTC" means The Depository Trust Company, New York, New York, its successors and their assigns or, if DTC or its successor or assign resigns from its functions as Depository for the Bonds, any other Depository which agrees to follow the procedures required to be followed by a Depository in connection with the Bonds and which is selected by the Authority, following consultation with the Purchaser.

"Escrow Agent" means Wells Fargo Bank, National Association, as escrow agent, or any successor thereto.

**"Escrow Agreement**" means that certain Escrow Agreement, by and between the Escrow Agent and the Authority, dated as of [March] 1, 2017, providing for the redemption and defeasance of the 2007 Refunded Bonds.

"Escrow Fund" means the fund of the same name defined in the Escrow Agreement.

"Event of Default" shall have the meaning specified in Section 7.01.

**"Facilities**" shall mean the real property and the improvements thereon, as set forth in Exhibit A to the Facilities Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or any portion thereof, in accordance with the Facilities Lease, this Trust Agreement and the Continuing Covenant Agreement.

"Facilities Lease" means that certain lease, entitled "Facilities Lease", by and between the County and the Authority, dated as of [March] 1, 2017, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [March 3], 2017 as document No. [2017-\_\_\_\_], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

"Fiscal Year" means the twelve (12)-month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

"Government Securities" means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGS"); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry

form; (5) pre-refunded municipal bonds rated the same rating as U.S. Treasury securities, or if not rated, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or another state of the United States of America or a comparable successor, appointed and paid by the Authority, and who, or each of whom –

- (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the County;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the County; and
- (3) is not connected with the Authority or the County as a member, officer or employee of the Authority or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the County.

"Interest Payment Date" means, with respect to the Bonds, June 1 and December 1 in each year, commencing June 1, 2017.

"Interest Payment Period" means the period from each Interest Payment Date (or, for the first Interest Payment Period, the date of the Bonds) to and including the day immediately preceding the next succeeding Interest Payment Date.

"Interest Rate" means \_\_\_\_\_% per annum, as adjusted pursuant to the terms hereof.

"Moody's" means Moody's Investors Service a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Nominee" means the nominee of the Securities Depository (currently Cede & Co.), which may be the Securities Depository, or any nominee substituted by the Securities Depository pursuant to Section [\_\_\_].

"Opinion of Counsel" means a written opinion of Bond Counsel.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.02) all Bonds except

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 10.01;
  - (3) Bonds deemed tendered but not yet presented for purchase; and
- (4) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant hereto.

"Permitted Encumbrances" means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facilities Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facilities Lease in the office of the County Recorder of the County of Contra Costa and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time, and the Facilities Lease, as it may be amended from time to time; (4) this Trust Agreement, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the County; and (7) subleases and assignments of the County which, as provided in an Opinion of Counsel, will not adversely affect the exclusion from gross income of interest on the Bonds[; provided that any such subleases or assignments pursuant to this clause (7) shall be subject to the prior written consent of the Purchaser].

## "Permitted Investments" means any of the following:

- (1) Government Securities:
- (2) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;
- (3) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (a) Farmers Home Administration (FmHA) certificates of beneficial ownership, (b) Federal Housing Administration (FHA) debentures, (c) General Services Administration participation certificates, (d) Government National Mortgage Association (GNMA or "Ginnie Mae")

guaranteed mortgage-backed bonds and guaranteed pass-through obligations (participation certificates), (e) U.S. Maritime Administration guaranteed Title XI financing, and (f) U.S. Department of Housing and Urban Development (HUD) Project Notes and Local Authority Bonds;

- (4) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (a) Federal Home Loan Bank System senior debt obligations (consolidated debt obligations), (b) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") participation certificates (mortgage-backed securities) and senior debt obligations, (c) Federal National Mortgage Association (FNMA or "Fannie Mae") mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal), (d) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form, and (e) Farm Credit System Consolidated systemwide bonds and notes;
- (5) money market funds registered under the Federal Investment Company Act of 1940, the shares of which are registered under the Federal Securities Act of 1933, and which have a rating at the time of purchase by S&P of AAAm-G, AAAm, or AA-m and, if rated by Moody's, rated Aaa, Aa1 or Aa2, and which funds may include funds which the Trustee, its affiliates, or subsidiaries provide investment advisory or other management services;
- (6) certificates of deposit secured at all times by collateral described in (2) and/or (3) above (which collateral must be held by a third party and subject to a perfected first security interest held by the Trustee) with a maturity of one year or less and issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations at the time of purchase are rated "A-1" or better by S&P and "Prime-1" by Moody's;
- (7) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;
  - (8) investment agreements, including guaranteed investment contracts;
- (9) commercial paper rated at the time of purchase "Prime-1" by Moody's and "A-1" or better by S&P;
- (10) bonds or notes issued by any state or municipality which is rated by Moody's and S&P in one of the two highest long-term rating categories assigned by such agencies at the time of purchase;
- (11) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or better by S&P at the time of purchase;

- (12) repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender) and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date and that satisfy the following criteria:
  - (a) repurchase agreements must be between the municipal entity and dealer banks or securities firms that are (i) on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which, at the time of purchase, are rated A or better by S&P and Moody's, or (ii) banks rated "A" or above by S&P and Moody's, at the time of purchase, and
  - (b) repurchase agreements must include the following: (i) securities that are acceptable for transfer, including those describe in clauses (2) and (3) above, (ii) terms of not more than 30 days, (iii) collateral must be delivered to the Trustee (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before or simultaneously with payment (perfection by possession of certificated securities), (iv) the Trustee must have a perfected first priority security interest in the collateral, (v) collateral must be free and clear of third-party liens and, in the case of an SIPC broker, must not have been acquired pursuant to a repurchase agreement or reverse repurchase agreement, (vi) failure to maintain the requisite collateral percentage, after a two day restoration period, requires the Trustee to liquidate collateral, (vii) securities must be valued weekly and marked-to-market at current market price plus accrued interest, and (viii) the value of-collateral must be equal to 104% or, if the securities used as collateral are FNMA or FHLMC securities. 105%, of the amount of cash transferred to the dealer bank or security firm under the repurchase agreement plus accrued interest and, if the value of securities held as collateral slips below such amount, then additional cash and/or acceptable securities must be transferred;
- (13) pre-refunded municipal bonds rated the same rating as U.S. Treasury securities or, if there is no rating, then pre-refunded bonds pre-refunded with cash, direct U.S. or U.S. guaranteed obligations;
  - (14) the County of Contra Costa Investment Pool;
- (15) shares of beneficial interest issued by the Investment Trust of California (CalTRUST) pursuant to California Government Code Section 6509.7 and authorized for local agency investment pursuant to California Government Code Section 53601(o); and

(16) the Local Agency Investment Fund of the State of California. The Trustee may conclusively rely on the written instructions of the Authority and the County that such investment is a Permitted Investment.

"**Person**" means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"**Principal Office**" refers to the office of the Trustee noted in Section 11.09 and such other offices as the Trustee may designate from time to time.

"**Principal Payment Date**" means any date on which principal of the Bonds is required to be paid (whether by reason of maturity, redemption or acceleration).

"Project" means the Capital Projects and the (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo, and payment of any costs associated with financing of said projects, as set forth in Exhibit D to the Facilities Lease as the same may be changed from time to time, in accordance with Section 3.07 of the Facilities Lease, by the County by filing a Certificate of the County with the Trustee.

"**Project Fund**" means the fund by that name established pursuant to Section 3.02.

"Purchaser" means, initially, Wells Fargo Bank, National Association, and its successors and assigns, and upon the receipt from time to time by the Trustee and the County of a notice described in Section 9.13(a) of the Continuing Covenant Agreement, means the Person designated in such notice as the Purchaser.

"Record Date" means the close of business on the fifteenth (15th) calendar day (whether or not a Business Day) of the month preceding any Interest Payment Date.

"Redemption Date" shall mean the date fixed for redemption of any Bonds.

"Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium and Breakage Fee, if any, payable upon redemption thereof pursuant to the provisions of such Bond, this Trust Agreement and the Continuing Covenant Agreement.

"Refunded Bonds" means the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), County of Contra Costa Public Financing Authority Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds"), and County of Contra Costa Public

Financing Authority Lease Revenue Bonds (Capital Projects Program), 2009 Series A (the "2009 Series A Bonds").

"**Representation Letter**" means the blanket letter of representation of the Authority to DTC or any similar letter to a substitute depository.

"Responsible Officer" means any officer of the Trustee assigned to administer its duties under this Trust Agreement.

"Revenue Fund" means the fund by that name created pursuant to Section 5.02 hereof.

"Revenues" means (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facilities Lease (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to Section 5.05, of any money in any fund or account (other than the Rebate Fund) established pursuant to this Trust Agreement or the Facilities Lease.

"S&P" means S& P Global Ratings, a Standard & Poor's Financial Services LLC business, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Securities Depository" means DTC or any successor securities depository appointed pursuant to Section [\_\_\_].

"Securities Depository Participants" means those financial institutions for which the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Securities Depository Participants exists at the time of such reference.

"Site Lease" means that certain lease, entitled "Site Lease," by and between the County and the Authority, dated as of [March] 1, 2017, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [March 3], 2017 as document No. [2017-\_\_\_\_], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

"State" means the State of California.

"Supplemental Trust Agreement" means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is executed and delivered pursuant to the provisions hereof.

"**Tax Certificate**" means the Tax Certificate and Agreement delivered by the Authority and the County at the time of the issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

"Taxable Date" means the date on which interest on the Bonds is first includable in gross income of the Bondholders (including, without limitation, any previous Bondholder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"**Taxable Rate**" means, for each day occurring on and after a Taxable Date, a rate of interest per annum equal to the product of (i) the interest rate on the Bonds for such day, and (ii) 1.54.

"Trust Agreement" means this Trust Agreement, dated as of [March] 1, 2017, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

"**Trustee**" means Wells Fargo Bank, National Association, or any other association or corporation which may at any time be substituted in its place as provided in Section 8.01.

"Written Request of the Authority" means an instrument in writing signed by or on behalf of the Authority by its Chair, Vice-Chair, Executive Director, Assistant Executive Director or Deputy Executive Director or a designee of any such officer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

"Written Request of the County" means an instrument in writing signed by the County Administrator of the County or his designee, or by the County Finance Director of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

SECTION 1.03 <u>Interpretation</u>. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean or include the neuter, masculine or feminine gender, as appropriate. Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

#### ARTICLE II

#### THE BONDS

## SECTION 2.01 Authorization of Bonds.

- (a) The Bonds are hereby created and designated "County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A."
- (b) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Bonds in the form and manner provided herein for the purpose of providing funds to finance the Capital Projects and refund the Refunded Bonds, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.
- (c) The validity of the issuance of the Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of the Capital Projects or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

#### SECTION 2.02 <u>Terms of the Bonds</u>.

(a) The Bonds shall be issued in the aggregate principal amount of [\_\_\_\_] dollars (\$[\_\_\_\_]). The Bonds shall be dated the date of issuance thereof, shall be issued only in fully registered form in Authorized Denominations (not exceeding the principal amount of Bonds maturing at any one time), shall bear interest at the Interest Rate and shall mature in the years and in the principal amounts subject to prior redemption as described in Article IV hereof:

# County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A

Maturity Date		
(June 1)	Principal Amount	Interest Rate
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		

Interest on the Bonds shall be payable commencing June 1, 2017 and semiannually thereafter on June 1 and December 1 in each year. The Bonds shall pay interest to the registered owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after the Record Date for an Interest Payment Date, in which event they shall pay interest from such Interest Payment Date, or unless such date of authentication is on or prior to the Record Date for the first Interest Payment Date, in which event they shall pay interest from their dated date. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding anything to the contrary in this Trust Agreement, the interest rate on the Bonds is subject to the following adjustments:

- (i) from and after any Taxable Date, the interest rate on the Bonds shall equal the Taxable Rate; and
- (ii) upon the occurrence of an Event of Default, the interest rate on the Bonds shall equal the Default Rate.
- (b) Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to Section 2.07; provided, however, that interest on the Bonds shall be paid by wire transfer or other means to provide immediately available funds to the Purchaser and any Owner of at least \$1,000,000 in aggregate principal amount of the Bonds according to wire instructions for an account within the United States of America given to the Trustee in writing for such purpose and on file as of the applicable Record Date preceding the Interest Payment Date.

- (c) Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of this Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Bond, as appropriate, from moneys held by the Trustee for such payment.
- (d) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is surrendered to the Trustee for cancellation.
- (e) The Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal, and premium by the CUSIP number of the related Bonds.
- SECTION 2.03 <u>Form of Bonds</u>. The Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and by this reference is herein incorporated.

SECTION 2.04 Execution of Bonds. The Chair or the Executive Director of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 2.05 Transfer and Payment of Bonds. (a) Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.07 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect

to such transfer as a condition precedent to the exercise of such privilege and the Trustee may further require all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the cost basis information provided to it and shall have no responsibility to verify or ensure the accuracy of such information provided to it.

The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bonds which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of Bonds for redemption.

[Notwithstanding anything herein to the contrary, the Bonds may be transferred without limitation to any Affiliate of the Purchaser or to a trust or custodial arrangement established by the Purchaser or an Affiliate of the Purchaser, each of the beneficial owners of which are "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended and subject to the limitations, if any, set forth in the Continuing Covenant Agreement. The Bonds may be transferred to another purchaser (other than an Affiliate of the Purchaser or a trust or custodial arrangement as described in the preceding sentence) if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the Authority and the Trustee by such transferor and (ii) such purchaser shall have delivered to the Issuer, the Trustee and the transferor an Investor Letter in the form attached hereto as Exhibit D executed by a duly authorized officer of such purchaser; provided that each such purchaser shall constitute a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.]

SECTION 2.06 Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege and the Trustee may further require all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the cost basis information provided to it and shall have no responsibility to verify or ensure the accuracy of such information provided to it. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of

such Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.07 <u>Bond Registration Books</u>. The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority upon reasonable notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.08 <u>Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds</u>. If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

# SECTION 2.09 Special Covenant as to Book-Entry Only System for Bonds.

- (a) Except as otherwise provided in subsections (b) and (c) of this Section 2.09, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.
- (b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of the Bonds of such maturity. Upon initial issuance, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section 2.09, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section 2.09.
- (c) In the event that the Authority determines that the Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.09. DTC may determine to discontinue providing its services with respect to the Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the

Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.09. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 2.09 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section 2.09, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

- (d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.
- (e) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.09, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.05 and 2.06. In the event Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.05 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

#### ARTICLE III

#### **ISSUANCE OF BONDS**

SECTION 3.01 Procedure for the Issuance of Bonds. At any time after the sale of the Bonds in accordance with the Act, the Authority shall execute the Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, apply the proceeds received from such sale to the following respective parties or to the following respective accounts, in the following order of priority:

(i) transfer the amount of \$[\_\_\_\_] to the Escrow Agent for deposit to the Escrow Fund to refund the 2007 Refunded Bonds;

(ii)	transfer the amount of \$[] to the 2009 Trustee for deposit in
	Fund held under the 2009 Trust Agreement to refund the 2009
Refunded Bon	ids;
maintain. All by the Trustee Request of the filed with the state the perso purpose(s) for proper charge Written Reque Fund shall be	deposit the sum of \$[] to the Costs of Issuance Fund, which created and which fund the Trustee hereby covenants and agrees to money in the Costs of Issuance Fund shall be used and withdrawn to pay the Costs of Issuance of the Bonds upon receipt of a Written e Authority, in substantially the form attached hereto as Exhibit C, Trustee, each of which shall be sequentially numbered and shall on(s) to whom payment is to be made, the amount(s) to be paid, the which the obligation(s) was incurred and that such payment is a against said fund. On [December 1, 2017], or upon the earlier est of the Authority, any remaining balance in the Costs of Issuance transferred to the 2017 Series A Project Account within the Project Costs of Issuance Fund shall be closed; and
(iv) Account withi	deposit the amount of \$[] in the 2017 Series A Project n the Project Fund.
provided for in Section 3.01) upon the Written Request of	Project Fund. The Trustee hereby agrees to establish and maintain Outstanding the Project Fund (the initial payment into which is . The moneys in the Project Fund shall be disbursed by the Trustee the County in substantially the form of Exhibit B hereto filed with of Project Costs relating to the Project.
· -	yment is made from the Project Fund, there shall be filed with the the County showing with respect to each payment to be made:
(i)	the item number of the payment;
(ii)	the name of the person to whom payment is due;
(iii)	the amount to be paid; and
(iv)	the purpose for which the obligation to be paid was incurred.
Each such Wistate:	ritten Request shall be sufficient evidence to the Trustee and shall
built.	
(a)	that obligations in the stated amounts have been incurred by the

that there has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Request, which has not been released or will not be released simultaneously with the

County, and that each item thereof is a proper charge against the Project Fund and has not

been the subject of a prior requisition; and

payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Upon receipt of each such Written Request, the Trustee will pay the amount set forth in such Written Request as directed by the terms thereof. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

All interest earnings on amounts on deposit in the Project Fund shall be deposited therein. Upon the completion of the Project, any amounts remaining in the 2017 Series A Project Account shall be expended on Capital Projects as specified by the County, subject to the receipt by the Authority of an Opinion of Counsel that such expenditures will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation.

SECTION 3.03 <u>Intentionally Left Blank.</u>

SECTION 3.04 <u>Intentionally Left Blank.</u>

SECTION 3.05 <u>Limitations on the Issuance of Obligations Payable From Revenues.</u> The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues.

#### ARTICLE IV

# REDEMPTION OF BONDS

SECTION 4.01 <u>Extraordinary Redemption</u>. The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02(a) of the Facilities Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date [as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Authority and the Purchaser].

SECTION 4.02 Optional Redemption. [The Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Authority, as the direction of the County, in whole or in part, on any Business Day (in such amounts as may be specified by the Authority), by lot, at the principal amount thereof, provided that any such option redemption shall be subject to the payment of a Breakage Fee, if any.]

SECTION 4.03 [Mandatory Sinking Fund Redemption. The Bonds shall be subject to mandatory redemption in the amounts and on the dates set forth in Section 2.02(a) hereof.]

SECTION 4.04 Selection of Bonds for Redemption. The Authority shall designate which maturities of Bonds and the principal amount of Bonds which are to be redeemed. If less than all Outstanding Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such selection, Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. The Authority may designate which sinking account payments are allocated to a sinking fund redemption.

SECTION 4.05 Notice of Redemption; Cancellation; Effect of Redemption. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than [twenty (20)] nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that redemption shall not occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption shall be cancelled by the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

If notice of redemption has been duly given as aforesaid and money for the payment of the Redemption Price of the Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Bondholders of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and disposed of in a manner deemed appropriate by the Trustee and shall not be reissued.

#### ARTICLE V

#### **REVENUES**

# SECTION 5.01 Pledge of Revenues and Assignment.

- (a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.03) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are hereby irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds as provided herein, and the Revenues and other amounts pledged hereunder shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the Rebate Fund created pursuant to Section 6.03) for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof.
- (b) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facilities Lease, the Trustee shall notify the County of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the County's obligation to make timely payments of installments of Base Rental Payments.
- [The Authority hereby transfers in trust, grants a security interest in and (c) assigns to the Trustee, for the benefit of the Bondholders, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Facilities Lease (except for (i) the right to receive any Additional Payments) to the extent payable to the Authority under the Facilities Lease, (ii) any rights of the Authority to indemnification and rights of inspection and consent, and (iii) the obligations of the County to make deposits pursuant to the Tax Certificate). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. Subject to the provisions of Section [ ] with respect to the control of remedial proceedings, the Trustee shall also be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the County under the Facilities Lease other than those items excepted in the parenthetical contained in the first sentence of this

subsection. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Trust Agreement.]

(d) If on the second Business Day prior to the day of any month in which a Base Rental is requirement to be made, the Trustee has not received the full amount of such Base Rental Payments, the Trustee shall immediately notify the County and the Purchaser of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

SECTION 5.02 Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, assignment, charge and lien contained herein, the Authority agrees and covenants that all Revenues and all other amounts pledged hereunder when and as received shall be received by the Authority in trust hereunder for the benefit of the Bondholders and shall be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund (the "Revenue Fund"), which fund is hereby created and which fund the Trustee hereby agrees and covenants to maintain in trust for Bondholders so long as any Bonds shall be Outstanding hereunder. The County has been directed to pay all Base Rental Payments directly to the Trustee. If the Authority receives any Base Rental Payments, it shall hold the same in trust as agent of the Trustee and shall immediately transfer such Base Rental Payments to the Trustee. All Revenues and all other amounts pledged and assigned hereunder shall be accounted for through and held in trust in the Revenue Fund, and the Trustee shall have no beneficial right or interest in any of the Revenues except only as herein provided. All Revenues and all other amounts pledged and assigned hereunder, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Trustee.

# SECTION 5.03 <u>Establishment and Maintenance of Accounts for Use of Money in</u> the Revenue Fund.

- (a) Revenue Fund. Subject to Section 6.03, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which is hereby created and each of which the Trustee hereby covenants and agrees to cause to be maintained) in the following order of priority:
  - (1) Interest Account, and
  - (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(b) <u>Interest Account</u>. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

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

(c) <u>Principal Account</u>. On or before each June 1, commencing June 1, [2017], the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such June 1 into the sinking fund account for all Outstanding Bonds. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of all sinking fund payments required to be made on such June 1 for all Outstanding Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Bonds, designated as the "2017A Sinking Account" (the "Sinking Account"). With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of the Bonds upon the notice and in the manner provided in Article IV.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal or Redemption Price of the Bonds as it shall become due and payable, whether at maturity or redemption, except that any money in the Sinking Account shall be used and withdrawn by the Trustee only to redeem or to pay Term Bonds for which such Sinking Account was created Bonds pursuant to Section 4.03 hereof.

SECTION 5.04 Application of Insurance Proceeds. In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority, shall [subject to Section 3.08 of the Facilities Lease, cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Authority shall file a Certificate of the Authority with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the Authority under the Facilities Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the Authority, stating that the Authority

has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be paid to the Trustee as Base Rental Payments and applied in the manner provided by Section 5.01. Alternatively, the Authority, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial damage or destruction of the Facilities, of the Base Rental Payments, Additional Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect [subject to Section 3.08 of the Facilities Lease,] not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Section 4.01. The Authority shall not apply the proceeds of insurance as set forth in this Section 5.04 to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.05 Deposit and Investments of Money in Accounts and Funds. Subject to Section 6.03, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the Authority or, if no instructions are received, in the Wells Fargo Government Money Market Fund. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. For purposes of this restriction, Permitted Investments containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Unless otherwise instructed by the Authority, all interest or profits received on any money so invested shall be deposited in the Revenue Fund; provided that, with respect to the Project Fund, earnings on amounts in such fund shall be credited to such fund until completion of the respective Projects. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Trust Agreement.

Investments purchased with funds on deposit in the Revenue Fund shall mature not later than the payment date or redemption date, as appropriate, immediately succeeding the investment.

Subject to Section 6.03, investments in any and all funds and accounts except for the Rebate Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Trust Agreement.

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

#### ARTICLE VI

#### **COVENANTS OF THE AUTHORITY**

SECTION 6.01 <u>Punctual Payment and Performance</u>. The Authority will punctually pay out of the Revenues the interest on and principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Authority contained herein and in the Bonds.

SECTION 6.02 <u>Against Encumbrances</u>. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 5.01, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.04.

## SECTION 6.03 Rebate Fund.

- (a) In addition to the accounts created pursuant to Section 5.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 5.01, 5.02, 5.05, 9.01 and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 6.03 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.
- (b) Any funds remaining in the Rebate Fund with respect to the Bonds after redemption and payment of all Bonds and all other amounts due hereunder or under the Facilities Lease, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the Written Request of the Authority.

# SECTION 6.04 <u>Tax Covenants</u>.

(a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or

cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the Bonds.

- (b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.
- (c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 6.05 Accounting Records and Reports. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Authority at reasonable hours and under reasonable conditions. The Trustee shall provide to the Authority monthly statements covering the funds and accounts held pursuant to the Trust Agreement. Not more than one hundred eighty (180) days after the close of each Fiscal Year, the Trustee shall furnish or cause to be furnished to the Authority a complete financial statement (which may be in the form of the Trustee's customary account statements) covering receipts, disbursements, allocation and application of Revenues for such Fiscal Year. The Authority shall keep or cause to be kept such information as is required under the Tax Certificate.

SECTION 6.06 Prosecution and Defense of Suits. The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit, action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 6.07 <u>Further Assurances</u>. The Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be

necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

SECTION 6.08 <u>Maintenance of Revenues</u>. The Authority will promptly collect all rents and charges due for the occupancy or use of the Facilities as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. Pursuant to Section 5.02 and the Facilities Lease, the County is to pay all Base Rental Payments directly to the Trustee. The Authority will at all times maintain and vigorously enforce all of its rights under the Facilities Lease.

# SECTION 6.09 Amendments to Facilities Lease and Site Lease.

- The Authority shall not supplement, amend, modify or terminate any of (a) the terms of the Facilities Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee and the Purchaser. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of addition, substitution or release of real property pursuant to Section 2.03 of the Facilities Lease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any addition, substitution or release of property in accordance with Section 2.03 of the Facilities Lease or prepayment in accordance with Section 7.02 of the Facilities Lease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provisions of Section 2.03 of the Facilities Lease, or deleted due to prepayment pursuant to the provisions of Section 7.02 of the Facilities Lease, or (f) if the Trustee first obtains the written consent of the Purchaser to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the County pursuant to the Facilities Lease to an amount less than the scheduled principal and interest payments on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Trust Agreement on the Base Rental Payments (except as expressly provided in the Facilities Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.
- (b) The Authority shall not supplement, amend, modify or terminate any of the terms of the Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee and the Purchaser. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, (b) is to add to the

agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provisions of Section 2.03 of the Facilities Lease, or deleted due to prepayment pursuant to the provisions of Section 7.02 of the Facilities Lease, or (e) if the Trustee first obtains the written consent of the Purchaser to such supplement, amendment, modification or termination.

- (c) No supplement, amendment, modification or termination of the Facilities Lease or Site Lease shall be entered into unless an Opinion of Counsel is delivered to the effect that such amendment, modification or termination is (a) authorized and permitted by the Trust Agreement, Facilities Lease or Site Lease, (b) is enforceable against the Authority and the County, (c) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, and (d) does not adversely impact the tax-exempt status of the interest on the Bonds.
- (d) The Trustee shall not be obligated to consent to any amendment that adversely impacts its rights.

SECTION 6.10 Leasehold Estate. The Authority will be, on the date of the delivery of the Bonds, the owner and lawfully possessed of the leasehold estate described in the Site Lease, and the Facilities Lease will be, on the date of delivery of the Bonds, a valid subsisting demise for the term therein set forth of the property which it purports to demise. At the time of the delivery of the Bonds, the County will be the owner in fee simple of the premises described in the Site Lease, the Site Lease will be lawfully made by the County and the covenants contained in the Site Lease on the part of the County will be valid and binding. At the time of the delivery of the Bonds, the Authority will have good right, full power and lawful authority to lease said leasehold estate, in the manner and form provided in the Facilities Lease, and the Facilities Lease will be duly and regularly executed.

Without allowance for any days of grace which may or might exist or be allowed by law or granted pursuant to any terms or conditions of the Facilities Lease, the Authority will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Facilities Lease to be kept, performed and complied with by it. The Authority will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for declaring a forfeiture of the Facilities Lease, or would or might be a ground for cancellation or termination of the Facilities Lease by the lessee thereunder. The Authority will promptly deposit with the Trustee (to be held by the Trustee until the title and rights of the Trustee under this Trust Agreement shall be released or reconvened) any and all documentary evidence received by it showing compliance with the provisions of the Facilities Lease to be performed by the Authority. The Authority, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Facilities Lease, or the leasehold estate thereby

created, which may or can in any manner affect the estate of the lessor or of the Authority in or under the Facilities Lease, will deliver the same, or a copy thereof, to the Trustee.

# SECTION 6.11 <u>Intentionally Left Blank</u>.

#### ARTICLE VII

#### EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 <u>Events of Default and Acceleration of Maturities</u>. If one or more of the following events (herein called "events of default") shall happen, that is to say:

- (a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;
- (b) if default shall be made by the Authority in the due and punctual payment of the principal or premium, including, without limitation, any Breakage Fee, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for mandatory redemption;
- (c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such default shall have continued for a period of sixty (60) days or (or if the Authority notifies the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an event of default if the Authority commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time);
- (d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or
- (e) if an Event of Default has occurred under Section 6.01 of the Facilities Lease; or
- (f) if an Event of Default has occurred under the Continuing Covenant Agreement;

then and in each and every such case during the continuance of such event of default the Trustee may, with the consent of the Purchaser, or, at the direction of the Purchaser, institute legal proceedings pursuant to Section 7.03 hereof. In addition, in the event of a default described in Section 7.01(a) or (b) hereof, the Trustee, upon the written request of the Purchaser shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding and the

interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Bondholders by first class mail of any such event of default which is continuing of which a Responsible Officer has actual knowledge or written notice.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Authority shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration and premium, if any, with interest at the rate borne by such Bonds on such overdue interest and principal and premium, if any, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee or the Purchaser, by written notice to the Authority and to the Trustee, may on behalf of the Bondholders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Notwithstanding anything to the contrary herein, under no circumstances may the Authority or the Trustee accelerate the payment of Base Rental under the Facilities Lease.

SECTION 7.02 <u>Application of Funds Upon Acceleration</u>. All moneys in the accounts and funds provided in Sections 3.01, 3.02, 5.02, 5.03 and 5.04 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 and all Revenues (other than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

<u>First</u>, to the payment of the reasonable fees, costs and expenses of the Trustee in providing for the declaration of such event of default and carrying out its duties under this Trust Agreement, including reasonable compensation to their accountants and counsel together with interest on any amounts advanced as provided herein and thereafter to the payment of the reasonable costs and expenses of the Bondholders, if any, in carrying out the provisions of this Article, including reasonable compensation to their accountants and counsel;

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, and premium, including, without limitation, the Breakage Fee, if any, with (to the extent permitted by law) interest on the overdue interest and principal and premium at the rate borne by such Bonds, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and premium, including, without limitation, the Breakage Fee, if any, and (to the extent permitted by law) interest on overdue interest and principal and premium, including, without limitation, the

Breakage Fee, if any, without preference or priority among such interest, principal and premium and interest on overdue interest and principal and premium ratably to the aggregate of such interest, principal and premium and interest on overdue interest and principal and premium; and

<u>Third</u>, to the payment of the Purchaser and the other Bondholders of all amounts due under the Continuing Covenant Agreement and not otherwise paid hereunder.

SECTION 7.03 <u>Institution of Legal Proceedings by Trustee</u>. If one or more of the events of default shall happen and be continuing, the Trustee may, with the consent of the Purchaser, and upon the written request of the Purchaser, shall, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Trust Agreement and under Article VI of the Facilities Lease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

SECTION 7.04 Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Bondholders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues as provided herein pledged for such payment, or shall affect or impair the right of such Bondholders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Bondholder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bondholders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bondholders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Bondholder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.06 [Bondholders' Direction of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Purchaser or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, but only with the prior written consent of the Purchaser, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnifying the Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement, and that the Trustee shall have the right to decline to follow any such direction that in the reasonable opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.]

Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01; (b) the Purchaser shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Bondholder of Bonds of any remedy hereunder; it being understood and intended that no one or more Bondholders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders of the Outstanding Bonds.

#### ARTICLE VIII

#### THE TRUSTEE

SECTION 8.01 The Trustee. Wells Fargo Bank, National Association shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and obligations provided herein. Any such corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or in part, or any corporation or association resulting from any such merger, conversion, sale, transfer or consolidation to which it shall be a party, shall be and become successor Trustee without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties.

The Authority, unless there exists any Event of Default as defined in Section 7.01, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least five hundred million dollars (\$500,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving a (30) day written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall dispose of such Bonds in a manner deemed appropriate by it. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any Event of Default (that has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

SECTION 8.02 <u>Liability of Trustee</u>. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct as finally determined by a court of competent jurisdiction.

The Trustee shall not be bound to recognize any person as the Bondholder of a Bond unless and until such Bond is submitted for inspection, if required, and such Bondholder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Purchaser in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement. The Trustee may refuse to follow any direction that conflicts with law or the Trust Agreement, is unduly prejudicial to the rights of other Bondholders, or would involve the Trustee in personal liability.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of this Trust Agreement unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the reasonable costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Bondholders for the payment of the interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to the Trust Agreement upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the Bondholder of any Bond shall be conclusive and binding upon all future Bondholders and upon Bonds executed an delivered in exchange therefore or in place thereof.

The Trustee shall not be deemed to have knowledge of any event of default (except payment defaults) unless and until a Responsible Officer shall have actual knowledge thereof or a Responsible Officer of the Trustee shall have received written notice thereof at its Principal Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver selected by it with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this

Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

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

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Facilities Lease, the Site Lease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or County of the Facilities or the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Facilities Lease, the Site Lease or this Trust Agreement for the existence, furnishing or use of the Facilities or the Project.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Authority or the County), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Before taking any action or refraining from taking any action, the Trustee may require that indemnity satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including costs incurred in defending itself against any and all charges claims, complaints, allegations, assertations or demands of any nature whatsoever, except liability which is adjudicated to be a direct result of the Trustee's negligence or willful misconduct in connection with any such action.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority or a Certificate of the County, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

The Trustee is not responsible for the content of any disclosure material prepared in connection with the Bonds.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence.

SECTION 8.03 Compensation and Indemnification of Trustee. The Authority covenants to pay (but solely from Additional Payments) to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee, in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the reasonable expenses and disbursements of their counsel (including the allocated reasonable fees and disbursements of inhouse counsel) and of all persons not regularly in their employ) except any such expense, disbursement or advance as may arise from the Trustee's negligence or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damage, liability or expense incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with the acceptance or administration of the trusts created hereby, including reasonable costs and expenses (including reasonable attorneys' fees and disbursements) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.03 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

#### ARTICLE IX

### AMENDMENT OF THE TRUST AGREEMENT

# SECTION 9.01 <u>Amendment of the Trust Agreement.</u>

(a) This Trust Agreement and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consent of the Purchaser are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the

Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the County without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

- (b) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption but without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes:
  - (i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;
  - (ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary; and
  - (iii) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939.
- (c) The Trustee shall not be obligated to enter into any Amendment that adversely impacts its rights.
- (d) No amendment shall be entered into unless an Opinion of Counsel is delivered to the effect that such amendment (a) is authorized and permitted by the Trust Agreement, (b) is enforceable against the Authority and the County, (c) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, and (d) does not adversely impact the taxexempt status of the interest on the Bonds.
- SECTION 9.02 <u>Disqualified Bonds</u>. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or

any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

SECTION 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Bondholder of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Bondholder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Bondholder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 9.04 Notice to and Consent of Bondholders. Bondholders is required under the terms of this Trust Agreement for the amendment of this Trust Agreement or for any other similar purpose, the Authority shall cause notice of the proposed amendment to be given by first-class mail to the Owners of the Outstanding Bonds then shown on the registration books for the Bonds. Such notice shall briefly set forth the nature of the proposed amendment or other action and shall state that copies of any such amendment are on file at the office of the Authority and the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of the requisite principal amount of the Bonds Outstanding by instruments filed with the Authority shall have consented to the amendment or other proposed action, then the Authority may adopt or execute, as appropriate, such amendment or take such proposed action and the consent of the Bondholders shall thereby be conclusively presumed. Such instruments filed with the Authority may include documents, including Certificates of the Authority, stating that Owners of Bonds have consented to an amendment by purchasing such Bonds if the disclosure document related to such purchase disclosed that the purchase of the Bonds was deemed to mean that the Owners consented to the amendment.

SECTION 9.05 <u>Amendment by Mutual Consent.</u> The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

### ARTICLE X

#### **DEFEASANCE**

### SECTION 10.01 [Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all or any portion of the Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facilities Lease and the Continuing Covenant Agreement, then the Bondholders of

such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due hereunder and under the Facilities Lease.

- Any Outstanding Bonds shall prior to the maturity date or redemption date (b) thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 4.05, (2) there shall have been deposited with the Trustee (A) cash in an amount which shall be sufficient and/or (B) noncallable Government Securities, the interest on and principal of which when paid will provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.
- (c) In the event of an advance refunding (i) the Authority shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date or redemption date ("Verification") (which Verification shall verify the mathematical accuracy of the computations relating to the adequacy of cash plus Government Securities to be held in escrow to pay debt service requirements (principal, interest and redemption price, including premium, to the applicable redemption or maturity dates) when due on the Bonds to be refunded), (ii) the escrow agreement shall provide that no (A) substitution of a Government Security shall be permitted except with another Government Security and upon delivery of a new Verification and (B) reinvestment of a Government Security shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an Opinion of Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Trust Agreement; each Verification and opinion shall be addressed to the Authority and the Trustee.

SECTION 10.02 <u>Unclaimed Money</u>. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such

Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds.]

#### ARTICLE XI

### **MISCELLANEOUS**

SECTION 11.01 <u>Liability of Authority Limited to Revenues</u>. Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source other than the Revenues as provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

SECTION 11.02 <u>Benefits of this Trust Agreement Limited to Parties and Third Party Beneficiaries</u>. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Trustee, and the Bondholders any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Authority or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Authority, the Trustee and the Bondholders.

SECTION 11.03 Successor Is Deemed Included in All References to Predecessor. Whenever herein either the Authority or any member, officer or employee thereof or of the State is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the Project that are presently vested in the Authority or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.04 Execution of Documents by Bondholders. Any declaration, request or other instrument which is permitted or required herein to be executed by Bondholders may be in one or more instruments of similar tenor and may be executed by Bondholders in person or by their attorneys appointed in writing. The fact and date of the execution by any Bondholder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Bondholder of any Bond shall bind all future Bondholders of such Bond with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

SECTION 11.05 <u>Waiver of Personal Liability</u>. No member, officer or employee of the Authority or the County shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

### SECTION 11.06 Intentionally Left Blank.

SECTION 11.07 Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 11.08 <u>Business Day.</u> When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 11.09 <u>Notices</u>. All written notices to be given hereunder shall be given by mail to the party entitled thereto at the addresses set forth below, or at such other addresses as such parties may provide to the other party in writing from time to time, namely:

If to the Authority: County of Contra Costa Public Financing Authority

c/o County Administrator County of Contra Costa

County Administration Building

651 Pine Street

Martinez, California 94553

If to the Trustee: Wells Fargo Bank, National Association

333 Market Street, 18<sup>th</sup> Floor San Francisco, CA 94105

Attention: Corporate Trust Services

If to the County: County of Contra Costa

c/o Clerk of the Board of Supervisors

County of Contra Costa

County Administration Building

651 Pine Street

Martinez, California 94553

SECTION 11.10 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.11 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.12 <u>Governing Law</u>. This Trust Agreement shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 11.13 <u>Execution in Several Counterparts</u>. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY has caused this Trust Agreement to be signed in its name by its Chair and attested by its Secretary, and WELLS FARGO BANK, NATIONAL ASSOCIATION., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

	COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
	By:Federal D. Glover Chair of the Board of Directors
Attest:	
By:	
	WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee
	By:Authorized Officer
Acknowledged	
COUNTY OF CONTRA COSTA	
By: David J. Twa County Administrator and Clerk of the Board of Supervisors	

# EXHIBIT A

### FORM OF 2017 SERIES A BOND

No
COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND CAPITAL PROJECTS), 2017 SERIES A
NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY OF CONTRA COSTA IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OF CONTRA COSTA OR THE CONTRA COSTA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.
Interest Rate Dated Date CUSIP
REGISTERED OWNER: CEDE & CO.
PRINCIPAL SUM: DOLLARS
The COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the fifteenth calendar day of the month preceding an interest payment date, or unless this Bond is authenticated on or before [, 2017], in which event it shall bear interest from the Dated Date specified above, payable on June 1, 2017, and semiannually thereafter on each June 1 and

December 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that

upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee (defined hereinafter) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds to an account within the United States of America. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the Principal Office of the Trustee. Capitalized terms used herein and not otherwise defined herein have the meanings ascribed thereto in the Trust Agreement.

The Bonds are issued to provide funds to finance and refinance the acquisition, installation, implementation and construction of certain capital projects of the County, and related costs and expenses, located in the County of Contra Costa (as more fully defined in the Trust Agreement, the "Project") and to provide funds to refund certain outstanding lease revenue bonds of the Authority. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the "Revenues") derived from Base Rental Payments and other payments made by the County of Contra Costa (the "County"), and all interest or other investment income thereon, pursuant to the Facilities Lease, dated as of [March] 1, 2017 (as amended from time to time, the "Facilities Lease"), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge and assignment of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal (or premium, if any) of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and

supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption prior to maturity on the dates, at the redemption prices, and upon such notice as set forth in the Trust Agreement.

If an Event of Default (as defined in the Trust Agreement) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the Purchaser or by the Trustee.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned Principal Office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

In the event of any conflict or inconsistency between the terms and provisions of the Bond and the terms and provisions of the Trust Agreement, the terms and provisions of the Trust Agreement shall control.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

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

IN WITNESS WHEREOF, the County of Contra Costa Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the Dated Date specified above.

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY  By:		
FINANCING AUTHORITY	Countersigned:	•
		By:

# FORM OF CERTIFICATE OF AUTHENTICATION TO APPEAR ON 2017 SERIES A BONDS

This is one of the Bonds of which has been registered and authenticated	described in the within-mentioned Trust Agreement lon, 2017.
	WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee
	By:
	Authorized Signatory

# [DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

# [FORM OF ASSIGNMENT TO APPEAR ON 2017 SERIES A BONDS]

For value	e received the undersigned hereby sells, assigns and transfers unto
	(Taxpayer Identification Number:)
the within Bond and a	Il rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books
kept for registration there	eof, with full power of substitution in the premises.
	•
	NOTE: The signature to this Assignment must correspond with the name as written on the face of
	the Bond in every particular, without alteration or enlargement or any change whatever.
Dated:	
	AL SECURITY NUMBER, TAXPAYER IDENTIFICATION
NUMBER OR OTHER 1	IDENTIFYING NUMBER OF ASSIGNEE:
Signature Guaranteed:	
	NOTE: Signature must be guaranteed by
	an eligible guarantor institution.

# EXHIBIT B

# FORM OF REQUISITION – PROJECT FUND

Date:,	, 20
	No
Wells Fargo Bank, National Association 1700 Lincoln Street, 10 <sup>th</sup> Floor Denver, CO 80203 Attention: Corporate Trust Services	
Re: County of Contra Costa Public Financing Authori <u>Lease Revenue Bonds (Refunding and Capital Pro</u> (Written Request of the County - 2017 Series A P	ojects), 2017 Series A
Ladies and Gentlemen:	
This letter is our authorization to you to a Account within the Project Fund provided for in Section [March] 1, 2017 (the "Trust Agreement") between the C Authority (the "Authority") and Wells Fargo Bank, Nati indicated on Schedule A attached hereto to the therein-nator the payment of project costs relating to the completion defined in the Trust Agreement).	3.02 of the Trust Agreement dated as of County of Contra Costa Public Financing ional Association, as trustee, the amount amed individuals, firms and corporations
The obligations in the stated amount have item thereof is a proper charge against the 2017 Series Fund. There has not been filed with or served upon the Cattachment upon, or claim affecting the right to receive to any of the persons named herein below, which has n simultaneously with the payment of such obligation, or liens accruing by mere operation of law.	s A Project Account within the Project County notice of any lien, right to lien or payment of, any of the moneys payable not been released or will not be released
If checked here you are hereby author Account within the Project Fund and transfer any renamounts indicated in Schedule A) to the Revenue Fund.	•
Very truly y	ours,
COUNTY	OF CONTRA COSTA
By	
	Authorized Officer

# SCHEDULE A

No.	Payee	Amount	Purpose
		\$	

# EXHIBIT C

# FORM OF REQUISITION – COSTS OF ISSUANCE

# SCHEDULE A

Item			
No.	Payee	Amount	Purpose
		\$	

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIXON PEABODY LLP 300 South Grand Avenue, Suite 4100 Los Angeles, California 90071 Attention: Charles C. Wolf, Esq.

### **FACILITIES LEASE**

by and between

# COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

and the

# **COUNTY OF CONTRA COSTA**

Related to
\$[\_\_\_\_]
County of Contra Costa Public Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects)
2017 Series A

Dated as of [March] 1, 2017

This transaction is exempt from filing fees pursuant to California Government Code Section 6103 and transfer taxes pursuant to California Revenue and Taxation Code Section 11928

# TABLE OF CONTENTS

		Page
ARTICLE I DEFINITIONS		2
SECTION 1.01.	Definitions	2
ARTICLE II LEASE OF FA	CILITIES; TERM	4
SECTION 2.01.	Lease of Facilities	4
SECTION 2.02.	Term; Occupancy; and Release of Existing Facilities	
SECTION 2.03.	Substitution; Release; Addition of Property	
ARTICLE III RENTAL PAY	MENTS; USE OF PROCEEDS	7
SECTION 3.01.	Base Rental Payments	7
SECTION 3.02.	Additional Payments	7
SECTION 3.03.	Fair Rental Value	9
SECTION 3.04.	Payment Provisions	9
SECTION 3.05.	Appropriations Covenant	10
SECTION 3.06.	Rental Abatement	11
SECTION 3.07.	Use of Proceeds	11
SECTION 3.08.	Net Proceeds	12
ARTICLE IV MAINTENAN	ICE; ALTERATIONS AND ADDITIONS	13
SECTION 4.01.	Maintenance and Utilities	13
SECTION 4.02.	Changes to the Facilities	13
SECTION 4.03.	Installation of County's Equipment	13
ARTICLE V INSURANCE.		14
SECTION 5.01.	Fire and Extended Coverage Insurance	14
SECTION 5.02.	Liability Insurance	
SECTION 5.03.	Rental Interruption or Use and Occupancy Insurance	16
SECTION 5.04.	Worker's Compensation	
SECTION 5.05.	Title Insurance	17
SECTION 5.06.	Insurance Proceeds; Form of Policies	17
SECTION 5.07.	Annual Certificates	17
ARTICLE VI DEFAULTS A	AND REMEDIES	18
SECTION 6.01.	Defaults and Remedies	18
SECTION 6.02.	Waiver	
	OMAIN; PREPAYMENT	
SECTION 7.01.	Eminent Domain	
SECTION 7.01.	Prepayment	
SECTION 7.02. SECTION 7.03.	Option to Purchase; Sale of Personal Property	
ARTICLE VIII COVENANT	ΓS	
SECTION 8.01.	Right of Entry	
SECTION 8.02.	Liens	24

# TABLE OF CONTENTS (continued)

			Page
SECTI	ON 8.03.	Quiet Enjoyment	25
SECTI	ON 8.04.	Authority Not Liable	
SECTI	ON 8.05.	Assignment by the Authority	25
SECTI	ON 8.06.	Assignment and Subleasing by the County	25
SECTI	ON 8.07.	Title to Facilities	26
SECTI	ON 8.08.	Tax Covenants	26
SECTI	ON 8.09.	Reserved	26
SECTI	ON 8.10.	Taxes	
	ON 8.11.	Authority's Purpose	
	ON 8.12.	Purpose of Facilities Lease	
	ON 8.13.	Essential Use	
SECTI	ON 8.14.	Nondiscrimination	27
		R OF WARRANTIES; VENDOR'S WARRANTIES; USE	
OF THE FAC	ILITIES		28
SECTI	ON 9.01.	Disclaimer of Warranties	28
SECTI	ON 9.02.	Vendor's Warranties	
SECTI	ON 9.03.	Use of the Facilities	28
ARTICLE X I	MISCELLAN	EOUS	29
SECTI	ON 10.01.	Law Governing	29
	ON 10.02.	Notices	
SECTI	ON 10.03.	Validity and Severability	
SECTI	ON 10.04.	Net-Net-Net Lease	
SECTI	ON 10.05.	Section Headings	30
SECTI	ON 10.06.	Amendment or Termination	30
SECTI	ON 10.07.	Execution	
SECTI	ON 10.08.	Third-Party Beneficiary	31
EXHIBIT A	Description	of the Facilities	A-1
EXHIBIT B	-	Payment Schedule	
EXHIBIT C		S	
EXHIBIT D		ects	
EXHIBIT E		lget Certificate	
EXHIBIT F	Form of Insu	urance Certificate	F-1

### FACILITIES LEASE

This Facilities Lease, dated as of [March] 1, 2017, by and between the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY (the "Authority"), a joint exercise powers authority duly organized and existing under and by virtue of the laws of the State of California, as sublessor, and the COUNTY OF CONTRA COSTA (the "County"), a body corporate and politic and a political subdivision of the State of California, as sublessee;

### WITNESSETH:

WHEREAS, the Authority, at the request of the County, is refunding all of its outstanding Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds" and, together with the 2007 Series A Bonds, the "2007 Refunded Bonds"), and its Lease Revenue Bonds (Capital Projects Program), 2009 Series A (the "2009 Series A Bonds," and together with the 2007 Refunded Bonds, the "Refunded Bonds");

WHEREAS, the County has determined to finance and refinance the construction, renovation and acquisition of various capital projects of the County as set forth in Exhibit D hereto, as the same may be changed from time to time (the "Capital Projects");

WHEREAS, the Authority intends to assist the County in financing and refinancing the Capital Projects and refunding the Refunded Bonds by issuing the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds"), pursuant to the Trust Agreement dated as of March 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee;

WHEREAS, the County will lease to the Authority certain capital assets of the County (as further defined herein, the "Facilities") pursuant to a Site Lease, dated as of [March] 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Site Lease"), between County and the Authority;

WHEREAS, the County will lease back the Facilities from the Authority pursuant to the terms of this Facilities Lease; and

WHEREAS, under this Facilities Lease, the County will be obligated to make Base Rental Payments and Additional Payments (each as defined herein) to the Authority for the lease of the Facilities and such other facilities as may from time to time be leased hereunder;

WHEREAS, the Authority has assigned the Base Rental Payments and the Additional Payments to be made hereunder to the Trustee pursuant to the Trust Agreement for purposes of payment of the Bonds and all obligations due and owing the Purchaser or any Bondholder under the Continuing Covenant Agreement dated as of [March] 1, 2017 (the "Continuing Covenant Agreement"), among the County, the Authority and Wells Fargo Bank, National Association, as initial purchaser of the Bonds;

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

#### ARTICLE I

### **DEFINITIONS**

- SECTION 1.01. <u>Definitions</u>. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Facilities Lease, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement.
- "Additional Payments" means all amounts payable to the Authority, the Purchaser or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 hereof.
- "Architects" means the architects, engineers or designers of the Capital Projects or any portion thereof, and any successor or successors to any thereof.
- "Authority" means the County of Contra Costa Public Financing Authority, acting as sublessor hereunder and any surviving, resulting or transferee entity.
- "Base Rental" and "Base Rental Payments" means all amounts payable to the Authority from the County as Base Rental Payments pursuant to Section 3.01 hereof.
- "Base Rental Payment Schedule" means the schedule of Base Rental Payments payable to the Authority from the County pursuant to Section 3.01 hereof and attached hereto as Exhibit B.
  - "Bonds" has the meaning set forth in the recitals.
- "Capital Projects" means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of the 2017 Project, as set forth in Exhibit D hereto, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed or refinanced by a portion of the proceeds of the Bonds.
- "Code" means the Internal Revenue Code of 1986, as the same shall be hereafter amended, and any regulations heretofore issued or which shall be hereafter issued by the United States Department of the Treasury thereunder.
- "Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of [March] 1, 2017, among the County, the Authority and the Purchaser, as it may from time to time be amended, supplemented, modified or restated pursuant to the provisions thereof.
- "Contractors" means the construction contractor for any portion of the Capital Projects and any successor or successors to any thereof.

"County" means the County of Contra Costa, California, a body corporate and politic and a political subdivision of the State of California.

"**Default Rate**" has the meaning set forth in the Continuing Covenant Agreement.

"Event of Default" shall have the meaning specified in Section 6.01 hereof.

"Facilities" shall mean the real property and the improvements thereon as described in Exhibit A hereto, or any County buildings, other improvements and facilities, added thereto or substituted therefor, or any portion thereof, in accordance with this Facilities Lease and the Trust Agreement.

"Facilities Lease" means this Facilities Lease, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

"Insurance Consultant" means an individual or firm retained by the County as an independent insurance consultant, with experience in the field of risk management.

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

"**Purchaser**" has the meaning set forth in the Continuing Covenant Agreement.

"Refunded Bonds" means (i) the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A, (ii) the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Medical Center Refunding), 2007 Series B and (iii) the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Capital Projects Program), 2009 Series A. The 2007 Series A Bonds and the 2007 Series B Bonds were issued pursuant to a trust agreement, dated as of February 1, 1999 (the "1999 Trust Agreement"), as supplemented and amended, by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and the 2009 Series A Bonds were issued pursuant to a trust agreement, dated as of June 1, 2009 (the "2009 Trust Agreement"), by and between the Authority and the Trustee.

"Rental Payment Period" means the twelve month period commencing June 1 of each year and ending the following May 31, and the initial period commencing on the effective date hereof and ending the following May 31.

"**Taxable Rate**" means, for each day from and after the Taxable Date, the product of (i) the interest rate on interest component of Base Rental Payments for such day and (ii) 1.54.

["**Taxable Rate Factor**" means, for each day that the Taxable Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.]

"Trust Agreement" means the Trust Agreement, dated as of [March] 1, 2017, by and between the Trustee and the Authority and acknowledged by the County, as originally executed or as it may from time to time be supplemented, modified or amended by a Supplemental Trust Agreement entered into pursuant to the provisions thereof.

"2017 Project" means the: (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo, and payment of any costs associated with financing of said projects, as set forth in Exhibit D hereto, as the same may be changed from time to time, in accordance with Section 3.07 hereof, by a Certificate of the County delivered to the Trustee.

#### **ARTICLE II**

## LEASE OF FACILITIES; TERM

SECTION 2.01. <u>Lease of Facilities</u>. The Authority hereby leases to the County and the County hereby leases from the Authority the Facilities, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Facilities Lease, as defined in Section 2.02 hereof. The County hereby agrees and covenants during the term of this Facilities Lease that, except as hereinafter provided, it will use the Facilities for public and County purposes so as to afford the public the benefits contemplated by this Facilities Lease.

SECTION 2.02. Term; Occupancy; and Release of Existing Facilities. The term of this Facilities Lease shall commence on the date of recordation of this Facilities Lease in the office of the County Recorder of Contra Costa County, State of California, or on [March 3], 2017, whichever is earlier, and shall end for the respective Facilities on the dates specified in Exhibit C hereto, unless such term is extended or sooner terminated as hereinafter provided. If on such dates, the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, or any amount remains due and owing with respect to the Bonds or under the Continuing Covenant Agreement, shall not be fully paid, or if the rental payable hereunder with respect to such Facility shall have been abated at any time and for any reason, then the term of this Facilities Lease with respect to such Facility shall be extended until the Base Rental Payments and Additional Payments attributable to such Facility and all other amounts then due hereunder with respect to such Facility shall be fully paid, except that the term of this Facilities Lease as to the respective Facility shall in no event be extended beyond ten (10) years after the date identified with respect thereto. If prior to such date, all Base Rental Payments and all Additional Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, and all amounts due and owing with respect to the Bonds and under the Continuing Covenant Agreement, shall be fully paid, or provision therefor made, the term of this Facilities Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier; [provided that with respect to any provision for payment being made whether by

defeasance or otherwise, this Facilities Lease shall remain outstanding for federal tax purposes until the actual payment in full of all principal and interest on the Bonds.]

Upon the expiration of the term of this Facilities Lease with respect to a particular Facility pursuant to the preceding paragraph, the respective Facility shall be released from this Facilities Lease without compliance with the release requirements set forth in Section 2.03 [below; provided that no Facility shall be released from this Facilities Lease (i) if, after giving effect to the release of such Facility, a Default or Event of Default would occur hereunder, under the Trust Agreement or under the Continuing Covenant Agreement, (ii) unless the County has delivered a certificate to the Purchaser and the Trustee demonstrating that the fair rental value of the remaining Facilities for each Base Rental Period is at least equal to the maximum Lease Payments to be made under the Facilities Lease in each such Rental Payment Period, (iii) if any material litigation or environmental issues exist with respect to the remaining Facilities and (iv) if any event giving rise to an abatement of Base Rental Payments shall have occurred and be continuing.]

SECTION 2.03. <u>Substitution; Release; Addition of Property</u>. The County and the Authority may add, substitute or release real property as part of the Facilities, but only after the County shall have filed with the Authority and the Trustee and the Purchaser all of the following:

- (a) Executed copies of the Facilities Lease or amendments thereto containing the amended description of the Facilities.
- (b) A Certificate of the County with copies of the Facilities Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.
- (c) A Certificate of the County, supported by expert knowledge (which may be that of the Real Estate Manager of the County) or construction cost information evidencing that the fair market value or the insured value of the Facilities that will constitute the Facilities after such addition, substitution or release will be at least equal to the aggregate outstanding principal amount of the Base Rental Payments and the amount of any Additional Payments then determinable after such addition, substitution or release, and that the annual fair rental value of the Facilities after such addition, substitution or release will be at least equal to the maximum annual Base Rental Payments coming due and payable hereunder after such addition, substitution or release, and that the useful life of such Facilities will at least extend to the final Base Rental Payment date.
- (d) In connection with any addition or substitution of property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies subject only to Permitted Encumbrances resulting in title insurance with respect to the Facilities after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding at the time of substitution or addition of Facilities.

- (e) A Certificate of the County stating that (i) such addition, substitution or release does not adversely affect the County's use and occupancy of the Facilities (as such term will be defined following the addition, substitution or release) and (ii) no Default or Event of Default has occurred and is continuing hereunder, under the Trust Agreement or under the Continuing Covenant Agreement.
- In connection with any substitution or release of property, (i) a Certificate of the County stating that the substitution or release will not cause the County to violate its covenants, representations and warranties hereunder, under the Trust Agreement or the Continuing Covenant Agreement and (ii) the prior written consent of the Purchaser to such substitution or release of property and (iii) an appraisal or other written documentation prepared by a mutually agreeable third party that establishes that the fair market value of the property which remains subject to the Facilities Lease and the Site Lease following such substitution or release is at least equal to the aggregate outstanding principal amount of the Base Rental Payments and Additional Payments which are determinable, and the fair rental value of the Facilities which remains subject to this Facilities Lease and the Site Lease following such removal is at least equal to the Base Rental Payments and the amount of any Additional Payments then determinable thereafter coming due and payable under the Facilities Lease, (iv) no Default or Event of Default shall have occurred and be continuing hereunder, under the Trust Agreement or under the Continuing Covenant Agreement and (v) no event giving rise to an abatement of Base Rental Payments shall have occurred or be continuing with respect to this Facilities Lease or any Facility.
- (g) In connection with any substitution of property, a Certificate of the County stating that the Facility to be added is of approximately the same or greater degree of essentiality to the County as the Facility being replaced.
- (h) In connection with the addition of property, a Certificate of the County stating that the Facility to be added is an essential facility of the County.
- (i) An Opinion of Counsel stating that such amendment or modification of the Site Lease and the Facilities Lease and the substitution, release or addition of property (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and this Facilities Lease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iii) will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.
- (j) The Purchaser shall have received environmental questionnaires, surveys and/or studies with respect to substitution or addition of property, and other documents that the Purchaser may reasonably require; *provided*, *however*, that if the environmental studies have recommended that remedial action be taken with respect to the substitute or additional property so that it will be in compliance with applicable environmental laws, the Authority, at the direction of the Purchaser, does not have an obligation or duty to accept the substitute or additional property until such time as the remedial action has been completed and the Purchaser has received assurances to its satisfaction that the substitute or additional property is in compliance with applicable environmental laws.

(k) The Purchaser shall have received confirmation that the substitute or additional property is not located in a 100 year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency.

### **ARTICLE III**

## RENTAL PAYMENTS; USE OF PROCEEDS

SECTION 3.01. <u>Base Rental Payments</u>. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Facilities (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Facilities Lease) annual rental payments with principal and interest components, the interest components being payable semi-annually, in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. The County is hereby directed to pay all such Base Rental Payments directly to the Trustee for application as provided in the Trust Agreement. Base Rental Payments shall be calculated on an annual basis, for each Rental Payment Period, and each annual Base Rental shall be divided into two interest components, due on December 1 and June 1, and one principal component, due on June 1, except that the first Rental Payment Period commences on the date of recordation of this Facilities Lease and ends on May 31, 20[17]. Each Base Rental Payment installment shall be payable on the third Business Day immediately preceding its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities.

If the term of this Facilities Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on December 1 and June 1 in each year, and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Facilities Lease. Upon such extension of this Facilities Lease, the Purchaser shall deliver to the Trustee and the County a Certificate satisfactory to the County setting forth the extended rental payment schedule, which schedule shall establish the principal and interest components of the Base Rental Payments so that the principal components will in the aggregate be sufficient to pay all unpaid principal components with interest components sufficient to pay all unpaid interest components plus interest.

If at any time the Base Rental shall not have been paid by the County when due, for any reason whatsoever, and no other source of funds shall have been available to make the payments of principal and interest on the Bonds, the principal and interest components of the Base Rental shall be recalculated by the Purchaser in a manner satisfactory to the County to reflect interest on the unpaid Base Rental Payments at the Default Rate. Upon request by the Authority or the Trustee, a revised Exhibit B to this Facilities Lease in form and substance satisfactory to the County shall be prepared by the Purchaser and supplied to the Authority, the County and the Trustee reflecting such recalculation.

SECTION 3.02. <u>Additional Payments</u>. The County shall also pay such amounts as shall be required by the Authority or the Purchaser, as applicable, for the payment of all costs

and expenses incurred by the Authority or the Purchaser in connection with the execution, performance or enforcement by the Authority or the County, as applicable, of this Facilities Lease, or any pledge of Base Rental payable hereunder, the Trust Agreement, the Continuing Covenant Agreement (to the extent not otherwise payable from Revenues), its interest in the Facilities and the lease of the Facilities to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Facilities, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement and all obligations due and owing the Purchaser or any other Bondholder under the Continuing Covenant Agreement[; but not including any Additional Payments amounts required to pay the principal of or interest on the Bonds.]

Such Additional Payments shall be billed to the County by the Authority, the Purchaser or such other applicable Bondholder or the Trustee from time to time, together, if applicable, with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the County, the Authority or the Trustee for such items. Amounts so billed shall be paid by the County to the billing party within 30 days after receipt of the bill by the County. The County reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the County to make full and timely payment for all Additional Payments.

The Authority has issued and may in the future issue bonds and has entered into and may in the future enter into leases to finance capital improvements other than the Capital Project. The administrative costs of the Authority shall be allocated among the facilities subject to such other lease agreements and the Facilities, as hereinafter in this paragraph provided. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Facilities shall be included in the Additional Payments payable hereunder. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Facilities, shall not be included in the administrative costs of the Facilities and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular lease of the Authority shall be equitably allocated among all such leases, including this Facilities Lease, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the County Administrator or the County Finance Director, or a duly authorized representative of the County, endorsed thereon, in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses related to the lease of the Facilities.

[Other than the principal and interest on the Bonds payable from Base Rental Payments hereunder, the amounts payable to the Purchaser and the other Bondholders under the Continuing Covenant Agreement constitute Additional Payments under this Section 3.02 that the County shall pay to the Authority or the Trustee for payment to the Purchaser or to the Purchaser directly at the time and in the amounts due pursuant to the Continuing Covenant Agreement.]

SECTION 3.03. <u>Fair Rental Value</u>. The payments of Base Rental Payments and Additional Payments for each Rental Payment Period during the term of this Facilities Lease shall constitute the total rental for said Rental Payment Period and shall be paid by the County in each Rental Payment Period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the Facilities during each such Rental Payment Period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each Rental Payment Period does not exceed the fair rental value of the Facilities for each such period.

In making such determination, consideration has been given to the value of the Facilities, costs of acquisition, design, construction and financing of the Facilities, other obligations of the parties under this Facilities Lease, the uses and purposes which may be served by the Facilities and the benefits therefrom which will accrue to the County and the general public.

SECTION 3.04. Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America in immediately available funds to the Trustee or as otherwise designated by the Purchaser. Any such installment of Base Rental Payments or Additional Payments accruing hereunder which shall not be paid when due and payable under the terms of this Facilities Lease shall bear interest at the Default Rate or such lesser rate of interest as may be permitted by law, from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Authority and the County, the County shall make all Base Rental Payments and Additional Payments when due without deduction or offset of any kind and shall not withhold any Base Rental Payments or Additional Payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said Base Rental Payments and Additional Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination. Amounts required to be paid by the County to the Purchaser pursuant to this Section on any date shall be reduced to the extent that amounts on deposit in the Revenue Fund, the Interest Account or the Principal Account are available therefor. The interest component of Base Rental Payments shall initially be calculated based upon the Interest Rate and thereafter shall automatically and immediately be adjusted from time to time (and Exhibit B hereto shall be revised by the Purchaser or deemed to be revised to correspond with such adjustments) as follows:

- (i) from and after any Taxable Date, the interest component of Base Rental Payments shall automatically and immediately be increased to bear interest at the Taxable Rate (which interest component may be further increased to account for the Default Rate upon an Event of Default); and
- (ii) upon the occurrence of an Event of Default, the interest component of Base Rental Payments shall automatically and immediately be increased to

bear interest at equal the Default Rate (which interest component may be further increased to account for the Taxable Rate from and after any Taxable Date).

If any rental payment date or other date specified herein for payment of any Base Rental Payment hereunder shall not be a Business Day, such payment may made on the next succeeding Business Day but interest shall continue to accrue on such amount until the payment in full of such amount.

With respect to any adjustments to the interest component of Base Rental Payment provided for in this Section 3.04, the Purchaser may provide a revised Exhibit B to reflect the new interest component based on the adjustments to the applicable interest rate. Notwithstanding the foregoing, all increases to the interest component described in this Section 3.04 shall immediately and automatically become effective regardless of whether any such revision to Exhibit B is provided by the Purchaser.

All payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Rental is subject to abatement as provided in Section 3.06.

Nothing contained in this Facilities Lease shall prevent the County from making from time to time contributions or advances to the Authority for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Facilities in the event of damage to or the destruction of the Facilities.

SECTION 3.05. Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments as shall be required to provide funds in such year for such Base Rental Payments and Additional Payments. The County will deliver to the Authority, the Purchaser and the Trustee within sixty (60) days of adoption of the final County budget a Certificate of the County (in the form set forth in Exhibit E attached hereto) stating that the budget as adopted appropriates all moneys necessary for the payment of Base Rental Payments and Additional Payments hereunder. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the County.

The County covenants that in the event that any rentals paid by the County hereunder are insufficient to pay when due any Base Lease Rentals or Additional Rentals payable hereunder (including any amounts due under the Continuing Covenant Agreement), the County shall take

all actions as are necessary to budget and appropriate all such Base Rental Payments and Additional Payments (including amounts due under the Continuing Covenant Agreement) in a supplemental or amendatory budget, in order to make all necessary additional appropriations to pay all such amounts when due. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the County

The Authority and the County understand and intend that the obligation of the County to pay Base Rental Payments and Additional Payments hereunder shall constitute a current expense of the County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the County, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the County. Base Rental Payments and Additional Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise legally available for the purpose of paying Base Rental Payments and Additional Payments or other payments due hereunder as consideration for use of the Facilities. [This Facilities Lease shall not create an immediate indebtedness for any aggregate payments which may become due hereunder in the event that the term of the Facilities Lease is continued.] The County has not pledged the full faith and credit of the County, the State of California or any agency or department thereof to the payment of the Base Rental Payments and Additional Payments or any other payments due hereunder.

SECTION 3.06. Rental Abatement. The Base Rental Payments and Additional Payments shall be abated during any period in which by reason of any damage or destruction (other than by condemnation which is hereinafter provided for) there is substantial interference with the use and occupancy of the Facilities by the County, to the extent the Base Rental Payments and Additional Payments exceed the fair rental value for the use and occupancy of that portion of the Facilities that has not been rendered unusable as reasonably determined by the County. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial restoration of use or completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Facilities Lease shall continue in full force and effect and the County waives any right to terminate this Facilities Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, the Base Rental Payments are not subject to abatement to the extent that rental interruption insurance proceeds are available to pay Base Rental Payments which would otherwise be abated under this Section 3.06, it being hereby declared that such amounts constitute special funds for the payment of the Base Rental Payments.

SECTION 3.07. <u>Use of Proceeds</u>. The parties hereto agree that the proceeds of the Bonds will be used to finance or refinance the Capital Projects, to refund the Refunded Bonds and to pay the costs of issuing the Bonds and incidental and related expenses.

The County hereby agrees to construct the Capital Projects from the proceeds of the Bonds provided for such purpose to the County by the Authority in consideration for the

leasehold interest in the real property comprising the Facilities. The Authority and the County agree that the Capital Projects will be constructed in accordance with the plans and specifications prepared by the designers of the Capital Projects and approved by the County.

The County may alter the 2017 Project or issue change orders altering the construction contract plans and specifications during the course of construction, and the Authority agrees to cooperate fully with the County to cause such alterations or change orders to be implemented. Failure of the County to complete the 2017 Project shall not cause an abatement of Base Rental or Additional Payments hereunder.

SECTION 3.08. <u>Net Proceeds</u>. If any of the Facilities are taken in eminent domain proceedings at any time during the term of this Facilities Lease, or if any of the Facilities are damaged due to an insured casualty which is covered by insurance, the County shall as soon as practicable after such event, with the prior written consent of the Purchaser, apply the Net Proceeds resulting therefrom to one of the following:

- (a) repair and restore such Facilities to full use in accordance with the provisions of the Trust Agreement;
- (b) replace such Facilities, [at the County's sole cost and expense,] with property of equal or greater value to such Facilities immediately prior to the time of such destruction or damage, such replacement Facilities to be subject to Section 2.03 hereof, whereupon such replacement shall be substituted in this Facilities Lease;
- (c) substitute additional property as provided in Section 2.03; or
- (d) prepay the Base Rental Payments and as Additional Rental any amounts due and owing under the Continuing Covenant Agreement, including without limitation, any Breakage Fee under and as defined in the Continuing Covenant Agreement in accordance with Section 7.02.

The County will notify the Authority and the Purchaser of which course of action it has elected to take within a reasonable time not to exceed 60 days after the occurrence of such eminent domain proceedings or such destruction or damage. Such repair, replacement, substitution or prepayment shall commence not later than 60 days after the occurrence of such taking, destruction or damage and be pursued diligently to completion. The Authority may (but is not required to) in its own name or in the County's name execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and the County hereby grants to the Authority a power of attorney coupled with an interest to accomplish all or any of the foregoing.

Notwithstanding anything in this Section 3.08 to the contrary, the Purchaser shall grant its consent to the repair and restoration or replacement of the Facilities to full use if the County shall demonstrate to the reasonable satisfaction of the Purchaser that the Net Proceeds, together with any other lawfully available funds of the County to be used for such repair and restoration, are sufficient to pay for the costs of such repair and restoration in full.

### **ARTICLE IV**

### MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01. Maintenance and Utilities. During such time as the County is in possession of the Facilities, all maintenance and repair, both ordinary and extraordinary, of the Facilities shall be the responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the Facilities in first class condition, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Facilities resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Facilities. In exchange for the rental herein provided, the Authority agrees to provide only the Facilities.

SECTION 4.02. Changes to the Facilities. Subject to Section 8.02 hereof, the County shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements to the Facilities. All such additions, modifications and improvements shall thereafter comprise part of the Facilities and be subject to the provisions of this Facilities Lease. Such additions, modifications and improvements shall not in any way damage the Facilities or cause them to be used for purposes other than those authorized under the provisions of state and federal law; and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Facilities immediately prior to the making of such additions, modifications and improvements and the fair rental value of the Facilities in the then current and all succeeding Rental Payment Periods will not be less than Base Rental Payments and Additional Payments due in any such Rental Payment Period.

SECTION 4.03. <u>Installation of County's Equipment</u>. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Facilities. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Facilities resulting from the installation, modification or removal of any such items. Nothing in this Facilities Lease shall prevent the County from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facilities.

#### ARTICLE V

### **INSURANCE**

SECTION 5.01. Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Facilities Lease, insurance against loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and earthquake insurance, if available on the open market from reputable insurance companies at a reasonable cost. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, flood, riot and riot attending a strike, aircraft, vehicle damage, hail, smoke and such other hazards as are normally covered by such insurance, including earthquake coverage if such coverage is available at commercially reasonable cost from a reputable insurer in the reasonable determination of the County. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable the County to prepay all or any part of the Base Rental Payments then unpaid, pursuant to Section 7.02 hereof and to redeem outstanding Bonds.

If at any time and for so long as any part of the Facilities is located in a 100 year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of casualty insurance provided under this Section 5.01 shall include insurance against loss or damage to the Facilities due to flooding. If the County obtains an exception or waiver from Federal Emergency Management Agency to the designation of the Facilities as being within a 100 year flood area, the County shall not be required to provide such flood insurance.

The Authority and the County shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the Facilities are damaged or destroyed as a result of an earthquake occurring at any time.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Facilities Lease, The County shall provide the Purchaser, the Authority and the Trustee with a Certificate of the County setting forth the details of such self insurance method or plan maintained by the County and such self insurance method or plan shall comply with the following terms:

- (i) the self insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County);
- (ii) the self insurance program shall include an actuarially sound claims reserve fund out of which each self insured claim and any deductible amount required under any insurance policy provided pursuant to this Section 5.01 shall be paid;
- (iii) there shall be filed annually with the Trustee, the Authority and the Purchaser a statement of an actuary, insurance consultantthe Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford, the reserving methods and practices employed in establishing and maintaining the substitute method or plan are appropriate, and the substitute method or plan affords reasonable coverage for the risks required to be insured against. There;
- (iv) the claims reserve fund shall also be filed a Certificate of the County setting forth the details of such substitute method or plan. Inbe held in a separate fund by the County;
- (v) in the event of loss covered by any such self insurance method, the liability of the County hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method the self insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above..

SECTION 5.02. <u>Liability Insurance</u>. Except as hereinafter provided, the County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Facilities Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facilities, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Facilities Lease, The County shall provide the Purchaser, the Authority and the Trustee with a Certificate of the County setting forth the details of such self insurance method or plan maintained by the County and such self insurance method or plan shall comply with the following terms:

- (i) the self insurance program shall be approved by an Insurance Consultant or other qualified person (which may be the Risk Manager of the County);
- (ii) the self insurance program shall include an actuarially sound claims reserve fund out of which each self insured claim and any deductible amount required under any insurance policy provided pursuant to this Section 5.02 shall be paid;
- (iii) there shall be filed annually with the Trustee, the Authority and the Purchaser a statement of an actuary, independent insurance consultant the Insurance Consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the County setting forth the details of such, the reserving methods and practices employed in establishing and maintaining the substitute method or plan are appropriate, and the substitute method or plan affords reasonable coverage for the risks required to be insured against;
  - (iv) the claims reserve fund shall be held in a separate fund by the County;
- (v) in the event the self insurance program shall be discontinued, then the County may not maintain deductibles in excess of the amounts described above..

SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount at least equal to the maximum Base Rental Payments coming due and payable during any future 24 month period (determined by the County), except that such insurance may be subject to a deductible clause of not to exceed two hundred and fifty thousand dollars (\$250,000) or a comparable amount adjusted for inflation (or more in the case of earthquake coverage), and with the additional exception that with respect to coverage for terrorism related loss, the period may be only one year, provided that the County use its best efforts to obtain such coverage for a period of at least two years assuming it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Facilities Lease attributable to such structure for a period of time during which the payment of rental under this Facilities Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Trust Agreement. The County shall not be entitled to self-insure for rental interruption insurance.

SECTION 5.04. <u>Worker's Compensation</u>. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of

California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

SECTION 5.05. <u>Title Insurance</u>. The County shall obtain, for the benefit of the Authority, upon the execution and delivery of this Facilities Lease, title insurance on the Facilities insuring (a) the fee interest of the County in Facilities, (b) the Authority's leasehold estate in the Facilities under the Site Lease and (c) the County's sub-leasehold estate hereunder in the Leased Property, naming the Trustee as the insured, with such endorsements as reasonably required by the Purchaser, in an amount equal to the aggregate principal amount of the Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

SECTION 5.06. <u>Insurance Proceeds</u>; <u>Form of Policies</u>. All policies of insurance required by Sections 5.01 and 5.03 hereof shall name the County, the Authority, the Purchaser and the Trustee each as insured and shall contain a lender's loss payable endorsement in favor of the Trustee and the Purchaser substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall, to the extent practicable, collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. All policies of insurance required by this Facilities Lease shall provide that the Trustee and the Purchaser shall be given thirty (30) days notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County. The County shall pay when due the premiums for all insurance policies required by this Facilities Lease.

SECTION 5.07. Annual Certificates. The County will deliver to the Authority, the Purchaser and the Trustee on or before September 15 in each year a written Certificate of an officer of the County (in the form set forth in Exhibit F attached hereto) stating whether such policies satisfy the requirements of this Facilities Lease, setting forth the insurance policies then in force pursuant to this Article, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an actuary, independent insurance consultant or other qualified person containing the information required for such self-insurance program and described in Sections 5.01, 5.02 and 5.04. Delivery to the Trustee of the certificate under the provisions of this Section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the Trustee, the County shall also deliver to the Trustee certificates or duplicate originals or certified copies of each insurance policy described in such schedule.

Any policies of insurance provided by a commercial insurer to satisfy the requirements of Sections 5.01, 5.02 or 5.03 hereof shall be provided by a commercial insurer rated in one of the two highest rating categories by S&P and by Moody's.

#### **ARTICLE VI**

### **DEFAULTS AND REMEDIES**

SECTION 6.01. <u>Defaults and Remedies</u>. (a) If the County shall fail (i) to pay any Base Rental Payment or Additional Payments payable hereunder when the same becomes due, time being expressly declared to be of the essence of this Facilities Lease or fail to maintain any insurance specified in Article V or (ii) keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County for a period of sixty (60) days after notice of the same has been given to the County by the Authority, the Purchaser or the Trustee or for such additional time as is reasonably required, in the sole discretion of the Authority, with the prior written approval of the Purchaser to correct the same, or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the County shall be deemed to be in default hereunder and it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Facilities Lease. Upon any such default, the Authority or its assignee, with the written consent of the Purchaser, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

To terminate this Facilities Lease in the manner hereinafter provided on account of default by the County, notwithstanding any re-entry or re-letting of the Facilities as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Facilities and remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and place such personal property in storage in any warehouse or other suitable place located within the County of Contra Costa, California, at the expense of the County. In the event of such termination, the County agrees to surrender immediately possession of the Facilities, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the County, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Facilities given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Facilities nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Facilities Lease shall of itself operate to terminate this Facilities Lease, and no termination of this Facilities Lease on account of default by the County shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the County of the election on the part of the Authority to terminate this Facilities Lease. The County covenants and agrees that no surrender of the Facilities or of the remainder of the term hereof or any termination of this Facilities Lease shall be valid in

any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

Without terminating this Facilities Lease, (i) to collect each (2) installment of rent as it becomes due and enforce any other terms or provision hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Facilities, or (ii) to exercise any and all rights of entry and re-entry upon the Facilities. In the event the Authority does not elect to terminate this Facilities Lease in the manner provided for in subparagraph (1) hereof, the County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and, if the Facilities are not re-let, to pay the full amount of the rent to the end of the term of this Facilities Lease or, in the event that the Facilities are relet, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such entry or re-entry or obtaining possession of the Facilities. Should the Authority elect to enter or re-enter as herein provided, the County hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the County to re-let the Facilities, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and to place such personal property in storage in any warehouse or other suitable place located in the County of Contra Costa, California, for, to the extent permitted by law, the account of and at the expense of the County, and the County, to the extent permitted by law, hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of the Authority to re-let the Facilities and to do all other acts to maintain or preserve the Facilities as the Authority deems necessary or desirable in the event of such re-entry without effecting a surrender of this Facilities Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Facilities Lease irrespective of the use or the term for which such reletting 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 County the right to terminate this Facilities Lease shall vest in the Authority to be effected in the sole and exclusive manner provided for in sub-paragraph (1) hereof The County further waives the right to any rental obtained by the Authority in excess of the rental herein specified and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Facilities or any part thereof The County further agrees, to the extent permitted by law, to pay the Authority the reasonable cost of any alterations or additions to the Facilities necessary to place the Facilities in condition for re-letting

immediately upon notice to the County of the completion and installation of such additions or alterations.

The County hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Facilities as herein provided and all claims for damages that may result from the destruction of or injury to the Facilities and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Facilities.

- (b) If (1) the County's interest in this Facilities Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as hereinafter provided for, or (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects 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 County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County shall make a general or any assignment for the benefit of the County's creditors, or (3) the County shall abandon or vacate the Facilities, (4) any representation or warranty made by the County herein proves to have been false, incorrect, misleading or breached in any material respect on the date when made, or (5) the County shall receive notice from the Purchaser that an "Event of Default" has occurred under the Continuing Covenant Agreement, then the County shall be deemed to be in default hereunder.
- (c) The Authority shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the County to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the County shall be entitled to pursue any remedy provided by law.
- (d) In addition to the other remedies set forth in this Section, upon the occurrence of an Event of Default, the Authority or its assignee, with the written consent of the Purchaser, shall be entitled to proceed to protect and enforce the rights vested in the Authority by this Facilities Lease or by law. The provisions of this Facilities Lease and the duties of the County and of its trustees, officers or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority or its assignee, with the written consent of the Purchaser, shall have the right to bring the following actions:

- (1) Accounting. By action or suit in equity to require the County and its trustees, officers and employees and its assigns to account as the trustee of an express trust.
- (2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.
- (3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided herein.
- (4) Acceleration. To declare the Bonds due and payable and apply available funds in accordance with Section. 7.02 of the Trust Agreement.

The exercise of any rights or remedies under this Facilities Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the Facilities. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority or its assignee shall prevail in any action brought to enforce any of the terms and provisions of this Facilities Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority or its assignee in attempting to enforce any of the remedies available to the Authority hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment. Notwithstanding anything herein to the contrary, the termination of this Facilities Lease by the Authority on account of a default by the County under this Section shall not effect or result in a termination of the lease of the Facilities by the County to the Authority pursuant to the Site Lease.

SECTION 6.02. Waiver. Failure of the Authority or its assignee to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority or its assignee to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Facilities Lease.

#### **ARTICLE VII**

### **EMINENT DOMAIN; PREPAYMENT**

SECTION 7.01. Eminent Domain. If the whole of the Facilities or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of this Facilities Lease shall cease as of the day that possession shall be so taken. If less than the whole of the Facilities shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then this Facilities Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal and interest on the Outstanding Bonds will be reduced by the application of the award in eminent domain to the redemption of outstanding Bonds. So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking the Facilities or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02 and to the payment of any amounts owing under the Continuing Covenant Agreement and any Additional Payments. Any such award made after all of the Base Rental Payments and Additional Payments and payment of any amounts owing under the Continuing Covenant Agreement have been fully paid, or provision therefor made, shall be paid to the to the County.

SECTION 7.02. Prepayment. (a) The County shall prepay on any date from insurance (including proceeds of title insurance) and eminent domain proceeds, to the extent provided in Sections 3.08 and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the Facilities caused by perils covered by insurance, if in the judgment of the Authority and the Purchaser the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, such proceeds shall be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, pursuant to the procedure set forth in Section 3.08 for proceeds of insurance), all or any part of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date (taking into account the reduction in Base Rental allocable to future interest on the Bonds that are redeemed), at a prepayment amount equal to the redemption payment of the maximum amount of Bonds, including the principal thereof and the interest thereon to the date of redemption, plus any applicable premium redeemable from such proceeds owing pursuant to the Trust Agreement or the Continuing Covenant Agreement, including without limitation, any Breakage Fee under and as defined in the Continuing Covenant Agreement.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Trust Agreement sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided that the County furnishes the Trustee with an Opinion of Counsel that such deposit will not cause interest on the Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such

prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

- (c) Before making any prepayment pursuant to this article, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority, the Purchaser and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.
- When (1) there shall have been deposited with the Trustee at or prior to (d) the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal, premium, if any, and interest on the Bonds to the due date of the Bonds or date when the County may exercise its option to purchase the Facilities, as the case may be; (2) all requirements of Section 10.01 of the Trust Agreement have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid, then and in that event the right, title and interest of the Authority herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Authority and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental Payments or option price) and the Authority's interest in and title to the Facilities or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee.

SECTION 7.03. Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Authority's interest in any part of Facilities upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments contained in Section 1.01 of the Trust Agreement (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Facilities Lease of the part of the total rent hereunder attributable to such part of the Facilities (determined by reference to the proportion which the cost of such part of the Facilities bears to the cost of all of the Facilities). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the

principal of the Bonds and interest on the Bonds and to redeem Bonds if such Bonds are subject to redemption pursuant to the terms of the Trust Agreement. Upon the making of such payment to the Trustee and the satisfaction of all requirements set forth in Section 10.01 of the Trust Agreement, (a) the Base Rental thereafter payable under this Facilities Lease shall be reduced by the amount thereof attributable to such part of the Facilities and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Facilities Lease shall not thereafter be applicable to such part of the Facilities, (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Facilities Lease need not be maintained as to such part of the Facilities, and (d) title to such part of the Facilities shall vest in the County and the term of this Facilities Lease shall end as to such Facilities.

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facilities, and to release said personal property from this Facilities Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Facilities, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of this Facilities Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the Facilities leased hereunder. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Facilities Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

### **ARTICLE VIII**

#### **COVENANTS**

SECTION 8.01. <u>Right of Entry</u>. The Authority and its assignees shall have the right to enter upon and to examine and inspect the Facilities during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the County's rights or obligations under this Facilities Lease, and (c) for all other lawful purposes.

SECTION 8.02. <u>Liens</u>. [Neither the County nor the Authority shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to any portion of the Facilities, other than the respective rights of the Authority and the Purchaser as provided herein and Permitted Encumbrances.] In the event the County shall at any time during the term of this Facilities Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Facilities, the County shall pay, when due, all sums of money that may

become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Facilities and shall keep the Facilities free of any and all mechanics' or materialmen's liens or other liens against the Facilities or the Authority's interest therein. In the event any such lien attaches to or is filed against the Facilities or the Authority's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee and the Purchaser and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Facilities or the Authority's interest therein.

SECTION 8.03. <u>Quiet Enjoyment</u>. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Facilities Lease peaceably and quietly have, hold and enjoy the Facilities without suit, trouble or hindrance from the Authority.

SECTION 8.04. <u>Authority Not Liable</u>. The Authority and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and any assignees and their respective members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05. <u>Assignment by the Authority</u>. The Authority's rights under this Facilities Lease, including the right to receive and enforce payment of the Base Rental Payments to be made by the County hereunder, have been pledged and assigned to the Trustee for the benefit of the Bondholders pursuant to the Trust Agreement, to which pledge and assignment the County hereby consents.

SECTION 8.06. Assignment and Subleasing by the County. Neither this Facilities Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority and the Purchaser, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Bonds. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.07. <u>Title to Facilities</u>. During the term of this Facilities Lease, the Authority shall hold a leasehold estate to the Facilities and any and all additions which comprise fixtures, repairs, replacement or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the Facilities, and except for any items added to the Facilities by the County pursuant to Section 4.02 hereof. This provision shall not operate to the benefit of any insurance company if there is rental interruption covered by insurance pursuant to Section 5.03 hereof.

Upon the termination or expiration of this Facilities Lease upon payment in full of the Base Rental Payments attributed to the Facilities and all amounts owing on the Bonds, the Authority's interest in the title to the Facilities shall vest in the County and the Authority shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of the Facilities by the County and to clarify the title of the County on the record thereof.

SECTION 8.08. <u>Tax Covenants</u>. (a) The County and the Authority shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Authority and the County covenant that they will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein.

- (b) If at any time the County or the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Authority under this Facilities Lease or the Trust Agreement, the County or the Authority shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.
- (c) In furtherance of the covenants of the County and the Authority set forth above, the County will comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority and the Trustee for any actions taken by the Authority or the Trustee in accordance with such instructions.
- (d) The covenant of the County and the Authority herein shall survive payment in full or defeasance of the Bonds.

### SECTION 8.09. Reserved.

SECTION 8.10. <u>Taxes</u>. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Facilities or the respective interests or estates therein; provided that with respect to special assessments or other

governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Facilities Lease as and when the same become due. The County waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Authority for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the Facilities, the rentals and other payments required hereunder or any parts thereof or interests of the County or the Authority or the Trustee therein by any governmental authority.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Facilities will be materially endangered or the Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

SECTION 8.11. <u>Authority's Purpose</u>. The Authority covenants that, prior to the discharge of this Facilities Lease, it will not engage in any activities inconsistent with the purposes for which the Authority is organized.

SECTION 8.12. <u>Purpose of Facilities Lease</u>. The County covenants that during the term of this Facilities Lease, except as hereinafter provided, (a) it will use, or cause the use of, the Facilities for public purposes and for the purposes for which the Facilities are customarily used, (b) it will not vacate or abandon the Facilities or any part thereof, and (c) it will not make any use of the Facilities which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof

SECTION 8.13. <u>Essential Use</u>. The Facilities are essential to the proper, efficient and economic operation of the County and serve an essential governmental function of the County.

SECTION 8.14. <u>Nondiscrimination</u>. The County herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all person claiming under or through itself, and this Facilities Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or groups of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California

Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the County, or any person claiming under or through the County, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

#### **ARTICLE IX**

### DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE FACILITIES

SECTION 9.01. <u>Disclaimer of Warranties</u>. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITIES OR THE PROJECT OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE FACILITIES OR THE PROJECT OR A DEALER THEREIN, THAT THE COUNTY LEASES THE FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facilities Lease or the Project or the existence, furnishing, functioning or the County's use of any item or products or services provided for in this Facilities Lease.

SECTION 9.02. <u>Vendor's Warranties</u>. The Authority hereby irrevocably appoints the County its agent and attorney-in-fact during the term of this Facilities Lease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Authority may have against the manufacturers, vendors and contractors of the Facilities. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the Facilities, and the Project, as applicable, and not against the Authority, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority with respect to this Facilities Lease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor with respect to the Facilities and the Project.

SECTION 9.03. <u>Use of the Facilities</u>. The County will not install, use, operate or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Facilities Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the Facilities. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Facilities) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, however, that the County 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 Authority, adversely affect the estate of the Authority in and to the Facilities or its interest or rights under this Facilities Lease.

#### ARTICLE X

### **MISCELLANEOUS**

SECTION 10.01. Law Governing. This Facilities Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid:

> If to the County: County of Contra Costa

c/o Clerk of the Board of Supervisors County Administration Building 651 Pine Street Martinez, CA 94553

cc: County of Contra Costa

> c/o County Finance Director 651 Pine Street, 10th Floor Martinez, CA 94553

With respect to insurance matters:

County of Contra Costa c/o Risk Manager Risk Management Department 2530 Arnold Drive Martinez, CA 94553

County of Contra Costa cc:

> General Service Administration 1220 Morello Avenue, Suite 100

Martinez, CA 94553

cc: County of Contra Costa

c/o County Finance Director 651 Pine Street, 10th Floor

Martinez, CA 94553

If to the Authority: County of Contra Costa Public

Financing Authority c/o County Administrator

**County Administration Building** 

651 Pine Street Martinez, CA 94553

If to the Trustee: Wells Fargo Bank, National Association

Attn: Corporate Trust Services 333 Market Street, 18th Floor San Francisco, CA 94103

If to the Purchaser: Wells Fargo Bank, National Association

100 W. Washington Street, 20<sup>th</sup> Floor

Phoenix, AZ 85003

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03. <u>Validity and Severability</u>. If for any reason this Facilities Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Facilities Lease is and shall be deemed to be a lease under which the rentals are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the Facilities, and all of the rental and other terms, provisions and conditions of this Facilities Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04. <u>Net-Net Lease</u>. This Facilities Lease shall be deemed and construed to be a "net-net-net lease" and the County hereby agrees that the rentals provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05. <u>Section Headings</u>. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Facilities Lease.

SECTION 10.06. <u>Amendment or Termination</u>. The Authority and the County may at any time agree to the amendment, supplement or termination of this Facilities Lease and the Site Lease; provided, however, that the Authority and the County agree and recognize that this Facilities Lease and the Site Lease are entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Trust Agreement and with the prior written consent of the Purchaser; *provided however*, that no such amendment or supplement shall

extend the payment date of any Base Rental Payment, without the consent of each Bondholder so affected.

SECTION 10.07. <u>Execution</u>. This Facilities Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Facilities Lease. It is also agreed that separate counterparts of this Facilities Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

SECTION 10.08. <u>Third-Party Beneficiary</u>. The Purchaser is hereby designated as third party-beneficiary hereunder solely for the purposes of enforcing any rights granted to the Purchaser hereunder and not with to respect to any rights of occupancy.

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

	COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, as Sublessor
	By:Federal D. Glover
	Federal D. Glover Chair of the Board of Directors
Attest:	
By:	
David J. Twa Executive Director and Secretary of the Board of Directors	
	COUNTY OF CONTRA COSTA, as Sublessee
	Ву:
	Federal D. Glover Chair of the Board of Supervisors
Attest:	
Ву:	
David J. Twa	
Clerk of the Board of Supervisors and County Administrator	

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CA	ALIFORNIA	
COUNTY OF	CONTRA COSTA	
On	, 2017, before me,	, a
Notary Public,	personally appeared	,
subscribed to the in his/her/their	me on the basis of satisfactory evidence to be the he within instrument and acknowledged to me tha authorized capacity(ies), and that by his/her/their or the entity upon behalf of which the person(s) act	the/she/they executed the same r signature(s) on the instrument
•	PENALTY OF PERJURY under the laws of t graph is true and correct.	the State of California that the
WITNESS my	name and official seal.	
[Affix seal here	÷]	
	C: amatuma af	Notomy Dublic
	Signature of	Notary Public

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALI	FORNIA	
COUNTY OF CO	NTRA COSTA	
On Notary Public, pe	, 2017, before me,	
who proved to me subscribed to the in his/her/their au	e on the basis of satisfactory eventhin instrument and acknow thorized capacity(ies), and that	vidence to be the person(s) whose name(s) is/are ledged to me that he/she/they executed the same at by his/her/their signature(s) on the instrument the person(s) acted, executed the instrument.
	ENALTY OF PERJURY und ph is true and correct.	ler the laws of the State of California that the
WITNESS my nai	me and official seal.	
[Affix seal here]		
		Signature of Notary Public

# **EXHIBIT A**

## **Description of the Facilities**

All that certain real property situated in the County of Contra Costa, State of California, described as follows:

# EXHIBIT B

# **Base Rental Payment Schedule**

# **Aggregate of all Facilities**

Base Rental				
Payment Date*	Principal	Interest	Total	Fiscal Year Total

Payment Date*	Principal	Interest	Total	Fiscal Year Total
Total	Ф.	ф	Ф	
Total:	\$	\$	\$	\$

<sup>\*</sup> Payable three Business Days before due date.

		[] Building		
Base Rental Payment Date*	Principal	Interest	Total	Fiscal Year Total

Total: \$ \$ \$

<sup>\*</sup> Payable three Business Days before due date.

		[] Facility		
Base Rental Payment Date*	Principal	Interest	Total	Fiscal Year Total

Total: \$ \$ \$

<sup>\*</sup> Payable three Business Days before due date.

[]	<b>Building</b>
----	-----------------

Base Rental
Payment Date\* Principal Interest Total Fiscal Year Total

Base Rental Payment Date*	Principal	Interest	Total	Fiscal Year Total
Total:	\$	\$	\$	\$

<sup>\*</sup> Payable three Business Days before due date.

## **EXHIBIT C**

### **Lease Terms**

Facility Term Maximum Extension

### EXHIBIT D

### **Capital Projects**

"Capital Projects" means various public capital improvements and projects, including, but not limited to: (i) improvements to the Contra Costa Regional Medical Center, located at 2500 Alhambra Avenue in the City of Martinez; (ii) expansion and improvements to the Pittsburg Health Center, located at 2311 Loveridge Road in the City of Pittsburg; (iii) improvements to the Contra Costa Health Services, located at 595 Center Avenue and 597 Center Avenue in the City of Martinez; and (iv) improvements to the Women, Infant & Children Building, located at 13601 San Pablo Avenue in the City of San Pablo.

## **EXHIBIT E**

## **Form of Budget Certificate**

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A

Certificate of Final Annual Bud	iget for the Period/_	_20 tnrougn/20
The undersigned, as an Author "County"), hereby certifies that the feperiod with respect to the annual appr Payments, as required in Section 3.05 between the County of Contra Costa Pu	ollowing have been but opriations for all Base of of the Facilities Lease	Rental Payments and Additional e, dated as of [March] 1, 2017,
	2017 Series A	Total Budgeted
Base Rental Payment		
Additional Payment		
	COUNTY OF	CONTRA COSTA
	Ву:	uthorized Representative
	A	urnorizea kepresentative

## EXHIBIT F

### Form of Insurance Certificate

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A

Annual Insurance Certificate for the Period \_\_/\_\_20\_\_ through \_\_/\_\_20\_\_

The undersigned, as an Authorized Representative of the County of Contra Costa (the
"County"), hereby certifies that the insurance requirements as set forth in Section 5.07 of the
Facilities Lease, dated as of [March] 1, 2017, between the County of Contra Costa Public
Financing Authority and the County have been satisfied as evidenced by the attached list of
insurance policies, names of insurers issuing such policies, the property covered and the amount
of coverage.

COUNTY OF CONTRA COSTA
By:Authorized Representative

# [Attach List of Insurance Coverage]

# CERTIFICATE OF ACCEPTANCE (Government Code Section 27281)

This is to certify that the interest in real property conveyed by the foregoing Facilities Lease from the County of Contra Costa Public Financing Authority to the County of Contra Costa, a political subdivision of the State of California (the "County"), is hereby accepted by order of the Board of Supervisors of the County of Contra Costa on February 14, 2017, and the County consents to recordation thereof by its duly authorized officer.

COUNTY OF CONTRA COSTA, as Sublessee

By:

Federal D. Glover
Chair, Board of Supervisors
County of Contra Costa, State of California

Attest:

By:

David J. Twa
Clerk of the Board of Supervisors and
County Administrator

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALI		
COUNTY OF CO	NTRA COSTA	
Notary Public, powho proved to me subscribed to the in his/her/their au	ersonally appearede on the basis of satisfactory e within instrument and acknow thorized capacity(ies), and the	vidence to be the person(s) whose name(s) is/are reledged to me that he/she/they executed the same at by his/her/their signature(s) on the instrument the person(s) acted, executed the instrument.
•	ENALTY OF PERJURY und ph is true and correct.	der the laws of the State of California that the
WITNESS my na	me and official seal.	
[Affix seal here]		
		Signature of Notary Public

# RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIXON PEABODY LLP 300 South Grand Avenue, Suite 4100 Los Angeles, California 90071 Attention: Charles C. Wolf, Esq.

#### SITE LEASE

by and between the

#### **COUNTY OF CONTRA COSTA**

and the

#### COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

Related to
\$[\_\_\_\_]
County of Contra Costa Public Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects)
2017 Series A

Dated as of [March] 1, 2017

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

# TABLE OF CONTENTS

		Page
SECTION 1.	Lease of Facilities	2
SECTION 2.	Term	2
SECTION 3.	Rental	2
SECTION 4.	Purpose	3
SECTION 5.	Environmental Law and Regulations	3
SECTION 6.	Environmental Compliance	4
SECTION 7.	Owner in Fee	5
SECTION 8.	Assignments and Subleases	6
SECTION 9.	Right of Entry; Easements	6
SECTION 10.	Termination	6
SECTION 11.	Default	6
SECTION 12.	Quiet Enjoyment	7
SECTION 13.	Waiver of Personal Liability	7
SECTION 14.	Taxes	8
SECTION 15.	Eminent Domain	8
SECTION 16.	Nondiscrimination	8
SECTION 17.	Partial Invalidity	9
SECTION 18.	Notices	9
SECTION 19.	Section Headings	9
SECTION 20.	Amendment	9
SECTION 21.	Definitions	9
SECTION 22.	Execution	9
EXHIBIT A	Description of Facilities	A-1
EXHIBIT B	Lease Terms	B-1

#### SITE LEASE

This Site Lease, dated as of [March] 1, 2017 (this "Site Lease"), by and between the COUNTY OF CONTRA COSTA, a political subdivision organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Amended and Restated Joint Exercise of Powers Agreement" by and between the County of Contra Costa and the Contra Costa County Flood Control and Water Conservation District (the "District"), as lessee;

#### WITNESSETH:

WHEREAS, the County has determined that it is in its best interests to finance and refinance certain capital improvements for the County;

WHEREAS, the Authority has agreed to issue \$[\_\_\_\_] principal amount of its Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Bonds"), pursuant to a Trust Agreement, dated as of [March] 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Trust Agreement") by and between the Authority and Wells Fargo Bank, National Association, as trustee (together with any successor thereto, the "Trustee"), for the purpose of financing and refinancing certain capital improvements for the County (the "Capital Projects") refunding the Refunded Bonds which were issued to finance certain capital improvements for the County and paying certain costs of issuance with respect to the issuance of the Bonds;

WHEREAS, the County, pursuant hereto, will lease certain Facilities (as hereinafter defined) of the County to the Authority and the Authority will use the proceeds of the Bonds to pay to the County the rental due hereunder for the Facilities, and the County will use the proceeds of the Bonds to refund, defease and redeem the Refunded Bonds and to make deposits to the Project Fund and the Costs of Issuance Fund, as established in the Trust Agreement;

WHEREAS, the Authority will lease back the Facilities to the County pursuant to the Facilities Lease, dated as of [March] 1, 2017 (as amended, supplemented, modified or restated from time to time, the "Facilities Lease"), between the Authority, as lessor, and the County, as lessee; and

WHEREAS, under the Facilities Lease, the County will be obligated to make base rental payments to the Authority for the lease of the Facilities and the Authority will pledge such base rental payments to the Trustee for payments of the Bonds (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto in the Facilities Lease or the Trust Agreement, as applicable);

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

#### SECTION 1. Lease of Facilities

The County hereby leases to the Authority and the Authority hereby leases from the County, on the terms and conditions hereinafter set forth, the real property situated in the County of Contra Costa, State of California, together with the improvements thereon, as described in Exhibit A attached hereto and made a part hereof, and any additional real property added thereto by any supplement or amendment hereto, or any real property substituted for all or any portion of such property in accordance with this Site Lease and the Trust Agreement (the "Facilities"); subject, however, to Permitted Encumbrances. No merger shall be effected by the County's lease of the Facilities to the Authority under this Site Lease, and the Authority's sublease of the Facilities back to the County under the Facilities Lease.

#### SECTION 2. Term

The term of this Site Lease as to the Facilities shall commence on the date of recordation of this Site Lease in the office of the County Recorder of the County of Contra Costa, State of California, or on [March 3], 2017 whichever is earlier, and shall end on the respective dates identified in Exhibit B hereto, as applicable to the related Facility, unless such term is extended or sooner terminated as hereinafter provided. If on such dates the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall not be fully paid or any amount remains due and owing with respect to the Bonds or under the Continuing Covenant Agreement, or if the rental or other amounts payable under the Facilities Lease with respect to such Facility shall have been abated at any time and for any reason, then the term of this Site Lease with respect to such Facility shall be extended until ten (10) days after the Base Rental Payments and Additional Payments attributable to such Facility and all other amounts then due under the Facilities Lease with respect to such Facility, and all amount remains due and owing with respect to the Bonds and under the Continuing Covenant Agreement, shall be fully paid except that the term of this Site Lease as to the respective Facility shall in no event be extended beyond ten (10) years after the date identified with respect thereto. If prior to such date the Base Rental Payments and Additional Payments attributable to the related Facility and all other amounts then due under the Facilities Lease with respect to such Facility shall be fully paid, the term of this Site Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

#### SECTION 3. Rental

The Authority shall pay to the County from the proceeds of the Bonds as and for rental hereunder an amount, not less than \$[\_\_\_\_], which amount the County finds and determines is full and fair rental for the Facilities on the date hereof and which amount the County further agrees will be deposited in the Project Fund, the Revenue Fund for the 2009 Bonds and the Escrow Fund for the 2007 Bonds as set forth in the Trust Agreement and applied along with other proceeds of the Bonds to finance or refinance the Capital Projects.

## SECTION 4. <u>Purpose</u>

The Authority shall use the Facilities solely for the purpose of leasing the Facilities to the County pursuant to the Facilities Lease and for such purposes as may be incidental thereto; provided, that in the event of an Event of Default by the County under the Facilities Lease, the Authority may exercise the remedies provided in the Facilities Lease.

#### SECTION 5. <u>Environmental Law and Regulations</u>

(a) Definitions used in this Section 5 and in Section 6.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

"Asbestos Operations and Maintenance Plan" shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Facilities.

"Environmental Regulations" shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1251, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA"), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, "TSCA"), the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651 et seq.) (together with regulations promulgated thereunder, "OSHA") and any similar federal, state or local laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Hazardous Materials" shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as characterized, regulated or defined in CERCLA, RCRA, CWA, CAA, TSCA, OSHA and Title III, and the regulations promulgated pursuant thereto, and in any other Environmental Regulations applicable to the County, any of the Facilities or the business operations conducted by the County therein.

"Laws and Regulations" shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning,

building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities.

- (b) No portion of the Facilities is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Facilities.
- (c) The County has not received any notice from any insurance company which has issued a policy with respect to the Facilities or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facilities. The County has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting the Facilities which is to be performed or complied with by it.

#### SECTION 6. Environmental Compliance

- Neither the County nor the Authority shall use or permit the Facilities or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the Facilities and then, only in compliance with all Environmental Regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath the Facilities or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of an office building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release, or presence, of Hazardous Materials, the County shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee or the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released or present, on, from or beneath the Facilities, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the Facilities.
- (b) The County and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facilities free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The County and the Authority shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests

and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Facilities; provided, however, that notwithstanding that a portion of this covenant is limited to the County and the Authority's use of its best efforts, the Authority and the County shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the County and the Authority's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any individual or Person with regard to the presence of, or Release of Hazardous Materials on, from or beneath the Facilities, the County and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

- Irrespective of whether any representation or warranty contained in Section 5 is not true or correct, the County and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Bondholders and the Trustee, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 6), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Facilities, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any of the Facilities, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the County is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 6(c) shall survive any termination of the Facilities Lease or exercise of any remedies thereunder, and the satisfaction of all Bonds.
- (d) The County and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

## SECTION 7. Owner in Fee

The County covenants that it is the owner in fee of the Facilities. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will

either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Authority and the Bondowners harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

#### SECTION 8. Assignments and Subleases

Unless the County shall be in default under the Facilities Lease, the Authority may not assign its rights under this Site Lease or sublet the Facilities, except pursuant to the Facilities Lease, without the written consent of the County, which consent may be withheld in the County's sole and absolute discretion. Upon the occurrence of a default by the County under the Facilities Lease, the Authority may assign or sell its rights under this Site Lease or sublet the Facilities, without the consent of the County.

## SECTION 9. Right of Entry; Easements

The County reserves the right for any of its duly authorized representatives to enter upon the Facilities at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The County agrees, upon written request from the Authority, to grant to the Authority a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Facilities not having access to a public street, and appurtenant to such parcel, over property owned by the County to a public street. The County may, at any time, satisfy its obligation contained in the preceding sentence as to any such parcel of the Facilities by granting to the Authority an easement complying with the requirements of the preceding sentence from such parcel of the Facilities to a public street.

#### SECTION 10. Termination

The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Facilities in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority further agrees that the Facilities and any other permanent improvements and structures existing upon the Facilities at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Facilities Lease and upon payment of the option price required by said section, the term of this Site Lease shall terminate as to the portion of the Facilities being so purchased, including the real property upon which portion is situated.

#### SECTION 11. Default

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and

the Trustee, the County may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Facilities Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Site Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment of the Facilities Lease of all or any part of the Facilities then in effect between the Authority and any assignee or subtenant of the Authority (other than the County under the Facilities Lease) or the rights of the Trustee with respect thereto. So long as any such assignee or subtenant of the Authority (or the Trustee) shall duly perform the terms and conditions of this Site Lease, such assignee or subtenant (or the Trustee) shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment or subrogation; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondowners.

## SECTION 12. Quiet Enjoyment; Liens

- (a) The Authority at all times during the term of this Site Lease, shall peaceably and quietly have, hold and enjoy all of the Facilities then leased hereunder.
- (b) The Authority shall not, directly or indirectly, create, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facilities, other than the respective rights of the Authority and the County as herein provided and Permitted Encumbrances.

#### SECTION 13. Waiver of Personal Liability

All liabilities under this Site Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the County hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Site Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities or the Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities or the Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

#### SECTION 14. Taxes

The County 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 Facilities.

## SECTION 15. Eminent Domain

In the event the whole or any part of the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds and all other amounts due under the Trust Agreement and the Facilities Lease attributable to such part of the Facilities and all obligations due and owing under the Continuing Covenant Agreement and shall be paid to the Trustee, or the Purchaser or respective Bondholder, as applicable, and the balance of the award, if any, shall be paid to the County.

#### SECTION 16. Further Assurances.

The County covenants and agrees that in the event any lien, encumbrance, asserted encumbrance, claim, dispute or other issue arises with respect to the County's legal title to or valid and marketable, beneficial use and enjoyment of (or the Authority's interest in) the Facilities (each of the foregoing referred to as a "Facilities Issue"), the County will take all steps necessary to promptly quiet, resolve and/or eliminate such Facilities Issue and/or provide the Authority with, or as applicable, will take all reasonable steps available to the County to ensure the Authority has, adequate access to and use of the Facilities and the County has beneficial use and enjoyment of the Facilities and the County shall ensure that its fee interest in the Facilities remains free and clear of Facilities Issues. The County covenants and agrees that in the event any legal description, UCC-1 financing statement or fixture filing (or continuations or amendments thereof) filed or recorded with respect to the Authority's interests in the Facilities reflects any incorrect real property legal description, the County shall take all steps necessary (with the Authority's prior written approval) to promptly correct any errors with respect to such legal descriptions, UCC-1 financing statements and fixture filings.

#### SECTION 17. Nondiscrimination

The Authority herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all person claiming under or through itself, and this Site Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or groups of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those basis are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the Authority, or any person claiming under or through the Authority, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

#### SECTION 18. Partial Invalidity

If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

#### SECTION 19. Notices

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the County, addressed to the County in care of the Clerk of the Board of Supervisors, County Administration Building, 651 Pine Street, Martinez, California 94553, or if to the Authority, addressed to the Authority in care of the County Administrator, County Administration Building, 651 Pine Street, Martinez, California 94553, in all cases with a copy to the Trustee at the address specified in the Trust Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

## SECTION 20. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

#### SECTION 21. Amendment

The Authority and the County may at any time agree to the amendment of this Site Lease; provided, however, that the Authority and the County agree and recognize that this Site Lease is entered into as contemplated by the terms of the Trust Agreement, and accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

#### SECTION 22. Definitions

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Facilities Lease or, if not defined therein, the Trust Agreement.

#### SECTION 23. Execution

This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Site Lease may separately be executed by the County and the Authority, all with the same force and effect as though the same counterpart had been executed by both the County and the Authority.

IN WITNESS WHEREOF, the County and the Authority 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.

	COUNTY OF CONTRA COSTA, as Lessor
	By:Federal D. Glover
	Federal D. Glover
	Chair of the Board of Supervisors
Attest:	
D.,,	
By:	
Clerk of the Board of Superv	isors
and County Administrato	
<u> </u>	-
	COUNTY OF CONTRA COSTA PUBLIC
	FINANCING AUTHORITY, Lessee
	By:
	By: Federal D. Glover
	Chair of the Board of Directors
	Chair of the Board of Bricetons
Attest:	
By:	
David J. Twa	
Executive Director and Secre	
of the Board of Directors	

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALL	FORNIA	
COUNTY OF CO	NTRA COSTA	
Notary Public, per who proved to me subscribed to the in his/her/their au	ersonally appearede on the basis of satisfactor within instrument and ackrathorized capacity(ies), and	y evidence to be the person(s) whose name(s) is/are nowledged to me that he/she/they executed the same that by his/her/their signature(s) on the instrument iich the person(s) acted, executed the instrument.
•	ENALTY OF PERJURY ph is true and correct.	under the laws of the State of California that the
WITNESS my nar	me and official seal.	
[Affix seal here]		
		Signature of Notary Public

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALL	FORNIA	
COUNTY OF CO	NTRA COSTA	
Notary Public, per who proved to me subscribed to the in his/her/their au	ersonally appearede on the basis of satisfactor within instrument and acknowledge thorized capacity(ies), and	ry evidence to be the person(s) whose name(s) is/are nowledged to me that he/she/they executed the same I that by his/her/their signature(s) on the instrument nich the person(s) acted, executed the instrument.
•	ENALTY OF PERJURY ph is true and correct.	under the laws of the State of California that the
WITNESS my nar	ne and official seal.	
[Affix seal here]		
		Signature of Notary Public

# **EXHIBIT A**

# **Description of Facilities**

All that certain real property situated in the County of Contra Costa, State of California, described as follows:

# EXHIBIT B

# **Lease Terms**

Facility Term Maximum Extension

# CERTIFICATE OF ACCEPTANCE (Government Code Section 27281)

This is to certify that the interest in real	I property conveyed by the foregoing Site Lease
from the County of Contra Costa Public Financia	cing Authority to the County of Contra Costa, a
political subdivision of the State of California (t	the "County"), is hereby accepted by order of the
undersigned officer on behalf of the Author	ity on [], 2017, pursuant to authority
	uthority adopted on February 14, 2017, and the
Authority consents to recordation thereof by its	duly authorized officer.
	COUNTY OF CONTRA COSTA PUBLIC
	FINANCING AUTHORITY, as Lessee
	By:
	Federal D. Glover
	Chair of the Board of Directors
Attest:	
<b>D</b>	
By:	
David J. Twa	
Executive Director and Secretary	

of the Board of Directors

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORN	NIA	
COUNTY OF CONTR	A COSTA	
Notary Public, persona who proved to me on the subscribed to the within	ally appeared ne basis of satisfactory e n instrument and acknow	vidence to be the person(s) whose name(s) is/are ledged to me that he/she/they executed the same at by his/her/their signature(s) on the instrument
	¥	the person(s) acted, executed the instrument.
I certify under PENAI foregoing paragraph is		ler the laws of the State of California that the
WITNESS my name an	d official seal.	
[Affix seal here]		
		Signature of Notary Public

### **ESCROW AGREEMENT**

by and between

#### COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

and

# WELLS FARGO BANK, NATIONAL ASSOCIATION

Dated as of [March 1], 2017

relating to the

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A

County of Contra Costa Public Financing Authority Lease Revenue Bonds (Medical Center Refunding), 2007 Series B

# TABLE OF CONTENTS

		Page
Section 1.	Definitions	2
Section 2.	Escrow Fund.	2
Section 3.	Notice of Redemption and Defeasance.	3
Section 4.	Accounting for Escrow; Substitutions.	4
Section 5.	Investments and Reinvestments.	4
Section 6.	Sufficiency of Escrow.	4
Section 7.	Transfers for Payment of Refunded Bonds	4
Section 8.	Termination of Escrow Agreement; Written Request of Authority	4
Section 9.	Fees and Costs	5
Section 10.	Reports.	5
Section 11.	Character of Deposit.	5
Section 12.	Exculpatory Provisions.	6
Section 13.	Time of Essence.	7
Section 14.	Amendments.	7
Section 15.	Successors.	7
Section 16.	Notices.	8
Section 17.	Severability.	8
Section 18.	Law Governing.	8
Section 19.	Counterparts	8
EXHIBIT A	REFUNDING REQUIREMENTS	A-1
EXHIBIT B	ESCROWED SECURITIES	B-1
EXHIBIT C	NOTICE OF PARTIAL DEFEASANCE	C-1
EXHIRIT D	FEE SCHEDIII E	D <sub>-</sub> 1

#### **ESCROW AGREEMENT**

(2007 Series A Bonds and the 2007 Series B Bonds)

THIS ESCROW AGREEMENT, dated as of [March 1], 2017, is entered into by and between the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority, duly organized and validly existing pursuant to an Amended and Restated Joint Exercise of Powers Agreement entitled "County of Contra Costa Financing Authority Joint Exercise of Powers Agreement," by and between the County of Contra Costa and the Contra Costa County Flood Control and Water Conservation District, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee and as escrow bank (the "Escrow Agent").

#### $\underline{W} \underline{I} \underline{T} \underline{N} \underline{E} \underline{S} \underline{S} \underline{E} \underline{T} \underline{H}$ :

WHEREAS, Wells Fargo Bank, National Association, as successor trustee (the "Prior Trustee"), and the Authority have executed a trust agreement, dated as of February 1, 1999 (the "Original Trust Agreement"), as supplemented by the Sixth Supplemental Trust Agreement, dated as of March 1, 2007 and the Seventh Supplemental Trust Agreement, dated as of August 1, 2007 (as amended and supplemented, the "<u>Trust Agreement</u>");

WHEREAS, the Authority has issued \$122,065,000 of its Lease Revenue Bonds (Refunding and Various Capital Projects), 2007 Series A (the "2007 Series A Bonds"), and \$110,265,000 of its Lease Revenue Bonds (Medical Center Refunding), 2007 Series B (the "2007 Series B Bonds," and together with the 2007 Series A Bonds, the "Refunded Bonds") in order to finance and refinance capital projects for the County pursuant to the Trust Agreement;

WHEREAS, the Authority has determined that it is in the Authority's best interests to defease, pay and redeem the outstanding Refunded Bonds and to issue the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A (the "Refunding Bonds") pursuant to a trust agreement, dated as of March 1, 2017 (the "2017 Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") for such purpose;

WHEREAS, Section 3.01 of the 2017 Trust Agreement provides for the transfer and deposit of certain proceeds of the Refunding Bonds to the Escrow Fund, to defease and redeem the Refunded Bonds, and such proceeds shall be invested in Government Securities under the Original Trust Agreement so as to insure the full and timely payment of the Refunding Requirements (as hereinafter defined); and,

NOW, THEREFORE, in consideration of the mutual agreements herein contained, in order to secure the payment of the Refunding Requirements, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

## Section 1. <u>Definitions</u>.

As used in this Escrow Agreement the following terms have the following meanings:

"Escrow Agent" means Wells Fargo Bank, National Association, or any successor thereto appointed under this Escrow Agreement.

"Escrow Fund" means the fund by that name created pursuant to Section 2 hereof.

"Escrowed Securities" means any of those certain Government Securities listed in Exhibit B to this Escrow Agreement.

"Government Securities" has the meaning assigned to such term in the Original Trust Agreement.

"Independent Certified Public Accountant" means an independent firm of nationally recognized certified public accountants.

"Prior Trustee" means Wells Fargo Bank, National Association, as successor trustee for the Refunded Bonds.

"Refunded Bonds" means the 2007 Series A Bonds and the 2007 Series B Bonds, further defined in Exhibit A hereto.

"Refunding Bonds" means the County of Contra Costa Public Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2017 Series A, issued pursuant to the 2017 Trust Agreement.

"Refunding Requirements" means all installments of principal and interest on the Refunded Bonds, as such payments become due on and prior to the redemption date for the Refunded Bonds and the principal and redemption premium on the redemption date as shown in Exhibit A to this Escrow Agreement.

"State" means the State of California.

"Trustee" means Wells Fargo Bank, National Association, as trustee for the Refunding Bonds.

All other capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Trust Agreement.

#### Section 2. Escrow Fund.

A. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated as the "County of Contra Costa Public Financing Authority Escrow Fund" (the "Escrow Fund"). The Escrow Agent shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall hold the Escrow Fund in trust for the purposes described herein.

B. Pending application as provided in this Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to pay 100% of the principal amount of the Refunded Bonds on June 1, 2017 (the "Redemption Date") and to pay interest on the Refunded Bonds to the Redemption Date, which amounts shall be held in trust by the Escrow Agent for the holders of the Refunded Bonds.

## C. Deposit of Funds

- There shall be deposited in the Escrow Fund by the Escrow Agent the sum of \$[ received from Wells Fargo Municipal Capital Strategies, LLC upon the issuance and sale of the Refunding Bonds. There shall be deposited in the Escrow Fund by the Escrow Agent (2) the sum of \$[\_\_\_\_\_] received from the Prior Trustee from amounts held by the Prior Trustee in the debt service fund and the reserve fund for the Prior Bonds. The Authority has determined, as verified by the report of an Independent Certified Public Accountant, dated [ ,] 2017 (the "Verification Report"), that upon deposit of the money pursuant to Section C(1) and Section C(2), the moneys on deposit in the Escrow Fund will be at least equal to an amount sufficient to purchase the aggregate principal amount of the Government Obligations set forth in Exhibit B hereto (the "Exhibit B Securities"), which principal, together with all interest due or to become due on such Exhibit B Securities plus any uninvested amounts in the Escrow Fund, will be sufficient to meet the Refunding Requirements. The Escrow Agent shall use \$[\_\_\_\_\_] on deposit in the Escrow Fund to purchase the Exhibit B Securities and hold \$[\_\_\_\_\_] in cash in the Escrow Fund.
- D. The funds held in the Escrow Fund shall not be subject to withdrawal other than to satisfy the Refunding Requirements.
- E. The Escrow Agent shall hold all Escrowed Securities, whether acquired as initial investments, subsequent investments or reinvestments hereunder, and the money received from time to time as principal and interest thereon, in trust, to secure and for the payment of the Refunding Requirements and shall collect the principal of and interest on the Escrowed Securities held by it hereunder promptly as such principal and interest become due.

#### Section 3. <u>Notice of Redemption and Defeasance.</u>

- A. The Authority hereby gives irrevocable instructions to the Escrow Agent to mail, as soon as practicable, a notice of the defeasance of the Refunded Bonds in the form attached hereto as Exhibit C in accordance with Section 10.01 of the Original Trust Agreement.
- B. Authority hereby gives irrevocable instructions to the Escrow Agent to mail, not less than thirty nor more than sixty days prior to the Redemption date, a notice of the redemption of the Refunded Bonds in the form attached hereto as <u>Exhibit D</u> in accordance with Section 4.05 of the Original Trust Agreement.

## Section 4. <u>Accounting for Escrow; Substitutions</u>.

- A. The moneys and the Escrowed Securities from time to time accounted for in the Escrow Fund shall not be subject to withdrawal by the Authority nor otherwise subject to their order except as otherwise provided in Sections 2 and 8 hereof.
- B. The Authority may from time to time direct the Escrow Agent to sell, exchange or substitute Escrowed Securities for other Government Securities; provided that there shall be no sale, exchange or substitution of the Escrowed Securities, unless the following are received: (i) the written direction of the Authority, (ii) receipt by the Authority and the Escrow Agent of a new Verification Report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the escrow to pay all Refunding Requirements when due in full on their respective due dates and (iii) receipt of an unqualified legal opinion of nationally recognized bond counsel that such investment will not adversely affect the tax-exempt status of interest on the Refunded Bonds or the Refunding Bonds under Section 103 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder.

#### Section 5. Investments and Reinvestments.

The Escrow Agent shall have no other obligation by virtue of this Escrow Agreement, general trust law or otherwise, to make any investment or reinvestment of any moneys in escrow at any time except as expressly directed by the Authority and upon receipt, but only in case of such Authority direction that securities must be reinvested in Government Securities, of (i) the written direction of the Authority, (ii) receipt by the Authority and the Escrow Agent of a new Verification Report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the escrow to pay all Refunding Requirements when due on their respective due dates and (iii) receipt of an opinion of nationally recognized bond counsel that such investment will not adversely affect the validity of the Refunding Bonds or the Refunded Bonds under State law.

## Section 6. <u>Sufficiency of Escrow.</u>

Moneys deposited in the Escrow Fund, including the investment earnings thereon and any uninvested cash, shall be in an amount, as determined by the Authority, which at all times shall be sufficient to meet the Refunding Requirements not theretofore met.

#### Section 7. Transfers for Payment of Refunded Bonds.

The Escrow Agent shall make from time to time such transfers to the Prior Trustee as will assure, to the extent of moneys in the Escrow Fund, the payment of the Refunding Requirements when due, as provided herein and in the Trust Agreement.

#### Section 8. Termination of Escrow Agreement; Written Request of Authority.

When the Escrow Agent shall have transferred, pursuant to Section 7 hereof, such moneys as are required to pay in full and discharge all of the Refunded Bonds, the Escrow Agent, after payment of all fees and expenses of the Escrow Agent, shall immediately pay over

to the Authority or its order the moneys, if any, then remaining in the Escrow Fund and shall make forthwith a final report to the Authority, and this Escrow Agreement shall terminate. The Prior Trustee shall pay to the Authority any and all unclaimed moneys as provided in Section 10.02 of the Original Trust Agreement and this shall constitute the Written Request of the Authority for such purpose.

#### Section 9. Fees and Costs.

- A. The Escrow Agent's fees, expenses and reimbursement for costs incurred for and in carrying out the provisions of this Escrow Agreement have been fixed as set forth in Exhibit E. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred, including but not limited to, legal and accounting services in connection with any litigation or other proceedings which may at any time be instituted involving this Escrow Agreement not due to the negligence or willful misconduct of the Escrow Agent. Under no circumstances shall any fees, expenses or reimbursement of costs of the Escrow Agent or any other party (including without limitation, the cost of any required Verification Report) be paid out of amounts held in the Escrow Fund.
- B. Payments to the Escrow Agent pursuant to this Section 9 shall not be for deposit in the Escrow Fund, and the fees of and the costs incurred by the Escrow Agent shall not be a charge on and in no event shall be deducted from the Escrow Fund.

#### Section 10. Reports.

- A. Each month until the termination of this Escrow Agreement, the Escrow Agent shall submit to the Authority a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder during the preceding one-month period. Such report shall be subject to audit by the Authority or by such Independent Certified Public Accountant, as may be designated by the Authority.
  - B. The last report shall be made at the time provided in Section 8 hereof.
- C. Each such report shall also list all Escrowed Securities and the amount of money accounted for in the Escrow Fund on the date of such report, except for the last report.

#### Section 11. Character of Deposit.

- A. It is recognized that title to the Escrowed Securities and moneys accounted for in the Escrow Fund from time to time be vested in the Escrow Agent but subject always to the prior trust, charge and lien thereon of this Escrow Agreement in favor of the owners of the Refunded Bonds and the use thereof required to be made by the provisions hereof.
- B. The Escrow Agent shall hold all such securities and moneys in the Escrow Fund as special trust funds separate and wholly segregated from all other securities and funds of the Escrow Agent or deposited therein, and shall never commingle such securities or moneys with other securities or moneys.

C. No money paid into and accounted for in the Escrow Fund shall ever be considered as a banking deposit and the Escrow Agent shall have no right or title with respect thereto except in its capacity as Escrow Agent hereunder.

## Section 12. <u>Exculpatory Provisions</u>.

- A. The duties and responsibilities of the Escrow Agent are limited to those expressly and specifically stated in this Escrow Agreement.
- B. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and made in compliance with the provisions hereof. The Escrow Agent shall not be liable or responsible for the accuracy of any calculations or the sufficiency of any Escrowed Securities, the Escrow Fund or any moneys held by it to meet the Refunding Requirements.
- C. No provision of this Escrow Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent failure to act or its own willful misconduct.
- D. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Authority of any of its obligations, nor shall it be responsible in any manner for the recitals or statements contained herein or in the Refunded Bonds or any proceedings taken in connection therewith, such recitals and statements being made solely by the Authority. The Escrow Agent may conclusively rely on any opinion, written request, certificate, written direction or report of the Authority, any certified public accountant, financial advisor or investment bank delivered to it and received in good faith in connection with the transactions contemplated hereby.
- E. Nothing in this agreement shall be construed to create any obligations or liabilities on the part of the Escrow Agent to anyone other than the Authority and the holders of the Refunded Bonds.
- The Escrow Agent may at any time resign by giving thirty (30) days written notice to the Authority of such resignation. The Authority may remove the Escrow Agent at any time by giving thirty (30) days written notice to the Escrow Agent of such removal. The Authority shall promptly appoint a successor Escrow Agent by the resignation or removal date. Resignation or removal of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent and the transfer of escrowed assets over to the successor Escrow Agent. If the Authority does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation or giving notice of removal of an Escrow Agent, the Authority may appoint a temporary Escrow Agent to replace the resigning or removed Escrow Agent until the Authority appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed; provided, that the successor Escrow Agent accepts such appointment and the escrowed assets are transferred over to the successor Escrow Agent.

- G. The Authority, to the extent permitted by law, agrees to indemnify the Escrow Agent, its agents and its officers or employees for and hold the Escrow Agent, its agents, officers or employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder, in any transaction arising out of this Escrow Agreement or the Trust Agreement or any of the transactions contemplated herein or in the Trust Agreement, unless due to the Escrow Agent's or its officers' or employees' or agents' negligence or willful misconduct. Such indemnity shall survive the termination of this Escrow Agreement or resignation of the Escrow Agent.
- H. The Escrow Agent may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions and the opinion of such counsel shall be full and complete authorization in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

#### Section 13. Time of Essence.

Time shall be of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

## Section 14. <u>Amendments</u>.

This Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the Authority and the Escrow Agent (i) a written opinion of nationally recognized bond counsel stating that such amendment will not adversely affect the tax-exempt status of interest on the Refunded Bonds or the Refunding Bonds under Section 103 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder and (ii) unless such amendment is limited to (1) insertion of unintentionally omitted material, correction of mistakes or clarification of ambiguities, (2) pledging of additional legal security to the Refunded Bonds, or (3) providing for the deposit of additional cash and/or securities in the Escrow Fund, the written consent of all the owners of the Refunded Bonds then outstanding.

#### Section 15. Successors.

- A. Whenever herein the Authority or the Escrow Agent is named or is referred to, such provision shall be deemed to include any successor of the Authority or the Escrow Agent, respectively, immediate or intermediate, whether so expressed or not. The successor Escrow Agent must be in place and the escrowed assets transferred over to it before the predecessor Escrow Agent is released.
- B. All of the stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority or the Escrow Agent contained herein:
  - (1) Shall bind and inure to the benefit of any such successor; and

(2) Shall bind and shall inure to the benefit of any officer, board, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority or the Escrow Agent, respectively, or of its successor.

#### Section 16. <u>Notices</u>.

All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail to the following addresses or to such other address as the recipient thereof shall request in writing to the other party hereto:

If to the Authority: County of Contra Costa Public Financing Authority

County Administrator's Office 651 Pine Street, 10th Floor Martinez, CA 94553-0063 Attn: County Finance Director

If to the Escrow Agent: Wells Fargo Bank, National Association

1700 Lincoln Street, 10th Floor Denver, Colorado 80203-4500 Attn: Corporate Trust Services

## Section 17. <u>Severability</u>.

If any section, paragraph, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

#### Section 18. <u>Law Governing</u>.

This Escrow Agreement is made in the State of California and is to be construed under the Constitution and laws of such State.

#### Section 19. Counterparts.

This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY has caused this Escrow Agreement to be signed in its name by its duly authorized officer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

FINANCING AUTHORITY
Ву:
Deputy Executive Director
WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent
Ву:
Authorized Officer

# **EXHIBIT A**

# **REFUNDING REQUIREMENTS**

# **EXHIBIT B**

# ESCROWED SECURITIES

The following securities wil	l be deposited into the Escrow Fund on [	], 2017:
	Initial Cash Deposit: \$[]	

#### **EXHIBIT C**

#### NOTICE OF DEFEASANCE

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND VARIOUS CAPITAL PROJECTS),  $2007~{\rm SERIES}~{\rm A}$ 

#### **AND**

## COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (MEDICAL CENTER REFUNDING), 2007 SERIES B

NOTICE IS HEREBY GIVEN to the owners of the above-referenced Bonds, issued by the County of Contra Costa Public Financing Authority (the "Authority") pursuant to a trust agreement, dated as of February 1, 1999 (as supplemented and amended the "Trust Agreement"), between the Authority and Wells Fargo Bank, National Association ("Wells Fargo Bank"), as successor trustee, that the principal amount of Bonds identified below in the column labeled "Principal Amount Refunded" and maturing on the dates identified below (hereinafter referred to as the "Refunded Bonds"), have been defeased pursuant to section 10.01 of such Trust Agreement and pursuant to an Escrow Agreement, dated as of March 1, 2017 (the "Escrow Agreement"), by and between the Authority and Wells Fargo Bank, as trustee and escrow agent.

Prior to June 1, 2017 identified below (the "Redemption Date") interest on the Refunded Bonds will be paid in accordance with the provisions of the Trust Agreement from the escrow fund (the "Escrow Fund") established pursuant to the Escrow Agreement. On the Redemption Date, the Refunded Bonds will be redeemed at the redemption price identified below of their principal amount, plus accrued interest thereon to the Redemption Date, such redemption price and accrued interest to be paid from the Escrow Fund on the Redemption Date.

2007 Series A Redemption Date: June 1, 2017 Redemption Price: 100%

Maturity	Interest	CUSIP*	Principal Amount	
(June 1)	Rate	(21226P)	Outstanding	Principal Amount Refunded
2018	4.00%	GQ5	\$11,430,000	\$11,430,000
2019	4.00	MW5	10,275,000	10,275,000
2020	5.00	MX3	10,685,000	10,685,000
2021	5.00	MY1	11,220,000	11,220,000
2022	5.00	MZ8	10,105,000	10,105,000
2023	4.50	NB0	3,330,000	3,330,000
2023	4.75	NA2	7,265,000	7,265,000
2024	4.50	NC8	4,480,000	4,480,000
2025	4.75	ND6	4,685,000	4,685,000
2026	4.50	NE4	4,905,000	4,905,000
2027	4.50	NF1	4,330,000	4,330,000
2028	4.50	NG9	1,210,000	1,210,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

# 2007 Series B Redemption Date: June 1, 2017 Redemption Price: 100%

Maturity	Interest	Original CUSIP*	Principal Amount	
(June 1)	Rate	(21226P)	Outstanding	Principal Amount Refunded
2017	5.00%	HM3	\$14,075,000	\$14,075,000
2018	5.00	HN1	3,655,000	3,655,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

DATED:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and Escrow Agent

#### **EXHIBIT D**

#### NOTICE OF REDEMPTION

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND VARIOUS CAPITAL PROJECTS),  $2007~{\rm SERIES}~{\rm A}$ 

#### **AND**

## COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (MEDICAL CENTER REFUNDING), 2007 SERIES B

NOTICE IS HEREBY GIVEN to the owners of the above-referenced Bonds, by Wells Fargo Bank, National Association, as Trustee for the County of Contra Costa Public Financing Authority (the "Authority") that the Authority intends to exercise its option to redeem all outstanding maturities identified below at a redemption price equal to 100% (the "Redemption Price"), plus accrued interest thereon to June 1, 2017 (the "Redemption Date"). After the Redemption Date, interest on the Bonds shall cease to accrue.

## 2007 Series A Redemption Date: June 1, 2017 Redemption Price: 100%

<b>Date Dated</b>	Maturity (June 1)	Interest Rate	CUSIP* (21226P)	Principal Amount Outstanding	Principal Amount Refunded
March 14, 2007	2018	4.00%	GQ5	\$11,430,000	\$11,430,000
March 14, 2007	2019	4.00	MW5	10,275,000	10,275,000
March 14, 2007	2020	5.00	MX3	10,685,000	10,685,000
March 14, 2007	2021	5.00	MY1	11,220,000	11,220,000
March 14, 2007	2022	5.00	MZ8	10,105,000	10,105,000
March 14, 2007	2023	4.50	NB0	3,330,000	3,330,000
March 14, 2007	2023	4.75	NA2	7,265,000	7,265,000
March 14, 2007	2024	4.50	NC8	4,480,000	4,480,000
March 14, 2007	2025	4.75	ND6	4,685,000	4,685,000
March 14, 2007	2026	4.50	NE4	4,905,000	4,905,000
March 14, 2007	2027	4.50	NF1	4,330,000	4,330,000
March 14, 2007	2028	4.50	NG9	1,210,000	1,210,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

## 2007 Series B Redemption Date: June 1, 2017 Redemption Price: 100%

<b>Date Dated</b>	Maturity	Interest	Original CUSIP*	Principal Amount	Principal Amount
	(June 1)	Rate	(21226P)	Outstanding	Refunded
Aug. 7, 2007	2017	5.00%	HM3	\$14,075,000	\$14,075,000
Aug. 7, 2007	2018	5.00	HN1	3,655,000	3,655,000

<sup>\*</sup> Note: CUSIP numbers provided above are provided for the convenience of the owners of the Bonds. Neither the Authority nor Wells Fargo Bank, as trustee and escrow agent, is responsible for the accuracy or completeness of the CUSIP numbers.

Payment of the Redemption Price of the Refunded Bonds will become due and payable on the Redemption Date, and will be made upon presentation and surrender of the Refunded Bond at the following address:

Registered/Certified Mail: Air Courier:

Wells Fargo Bank, N.A.

Corporate Trust Operations

MAC N9300-070

P.O. BOX 1517

Minneapolis, MN 55480

Wells Fargo Bank, N.A.

Corporate Trust Operations

MAC N9300-070

600 Fourth St South – 7<sup>th</sup> Floor

Minneapolis, MN 55479

DATED:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and Escrow Agent

IMPORTANT NOTICE REGARDING TAX CERTIFICATION DOCUMENTATION AND **POTENTIAL WITHHOLDING:** Pursuant to U.S. federal tax laws, you have a duty to provide the required type of tax certification form to anyone making a payment to you that could constitute income or gross proceeds reportable to you. That tax certification documentation must be received by the Trustee (which includes the term "Withholding Agent" if you are a Nonresident Alien Individual or Foreign Entity) on or before the date of the payment, or the date on which the transaction is reportable on either IRS Form 1099 or IRS Form 1042-S even if no payment is made at that time. If you do not provide a valid tax certification form as required, the Trustee will be required to apply the maximum amount of withholding on that reportable payment. For example, if you are a U.S. taxpayer and do not provide a Form W-9 by the effective date of a merger, the trade date of a sale, the Redemption Date or Mandatory Tender Date or Tender Date or Conversion Date for a bond as the applicable term is defined in the Notice, or the payment date for interest or dividends, the Trustee is required to apply 28% backup withholding to the amount reportable as gross proceeds on a Form 1099-B, the interest amount reportable on a Form 1099-INT or the dividend amount reportable on a Form 1099-DIV. If you are a foreign person or entity, you are required to provide the applicable type of IRS Form W-8 by those aforementioned dates, and failure to do so can result in a 30% withholding rate being applied to the amount of the payment reportable on IRS Form 1042-S.

# **EXHIBIT E**

# **FEE SCHEDULE**

The one – time Escrow Agent Fee is [\$\_\_\_\_].

## CONTINUING COVENANT AGREEMENT

dated as of March 1, 2017,

among

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY

COUNTY OF CONTRA COSTA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

relating to

**\$[Par Amount]** 

COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS
(REFUNDING AND CAPITAL PROJECTS)
2017 SERIES A

## TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	2
Section 1.01.	Certain Defined Terms	2
Section 1.02.	Computation of Time Periods	
Section 1.03.	Construction	
Section 1.04.	Accounting Terms and Determinations	11
Section 1.05.	Relation to Other Documents; Acknowledgment of	
	Different Provisions of Related Documents;	
	Incorporation by Reference	12
ARTICLE II	PURCHASE OF BONDS	13
Section 2.01.	Purchase of Bonds	13
ARTICLE III	THE BORROWER'S OBLIGATIONS	13
Section 3.01.	Payment Obligations	13
Section 3.02.	Default Rate	
Section 3.03.	Determination of Taxability	
Section 3.04.	Maximum Interest Rate	
Section 3.06.	Net of Taxes, Etc	17
Section 3.07.	Obligations Absolute	18
Section 3.08.	Funding Indemnity	18
Section 3.05.	County's Obligations Are Payable Pursuant to Terms of Facilities Lease	19
ARTICLE IV	CONDITIONS PRECEDENT TO PURCHASE OF BONDS	19
Section 4.01.	Documentary Requirements	19
Section 4.02.	Litigation	
Section 4.03.	Other Matters	
Section 4.04.	Payment of Fees and Expenses	22
ARTICLE V	REPRESENTATIONS AND WARRANTIES	22
Section 5.01.	Existence and Power; Tax Status	22
Section 5.01.	Existence and Power; Tax Status	
ARTICLE VI	COVENANTS OF THE BORROWER	32
Section 6.01.	Existence, Etc	32
Section 6.02.	Maintenance of Properties	
Section 6.03.	Compliance with Laws; Taxes and Assessments	33
Section 6.04.	Insurance	33
Section 6.05.	Reports	33

Section 6.06.	Maintenance of Books and Records	
Section 6.07.	Access to Books and Records	35
Section 6.08.	Compliance With Documents	35
Section 6.10.	Further Assurances.	36
Section 6.11.	No Impairment	37
Section 6.12.	Application of Bond Proceeds	37
Section 6.13.	Trustee	37
Section 6.12.	Limitation on Voluntary Liens	37
Section 6.15.	Related Documents	37
Section 6.17.	Conversions and Redemptions	37
Section 6.18.	Disclosure to Participants, Purchaser Transferees and	
	Non-Purchaser Transferees	37
Section 6.19.	Other Agreements	38
Section 6.20.	Immunity from Jurisdiction	38
Section 6.21.	Swap Contracts	38
Section 6.22.	Budget and Appropriation	39
Section 6.23.	Use of Purchaser's Name	39
Section 6.24.	Maintenance of Tax-Exempt Status of Bonds	39
Section 6.25.	ERISA	
Section 6.26.	Investment Policy	39
Section 6.27.	Environmental Laws	39
Section 6.28.	Federal Reserve Board Regulations	40
Section 6.29.	Underlying Rating	
Section 6.30.	Repayment of Purchaser	
Section 6.31.	Disaster Relief	
Section 6.32.	Voluntary Rent Abatement	41
Section 6.33.	Operation and Maintenance of the Project	41
Section 6.34.	Compliance with Laws; Taxes and Assessments	
Section 6.35.	Fair Rental Value	
Section 6.36.	Substitution or Removal of Property	41
ARTICLE VII	EVENTS OF DEFAULT	42
Section 7.01.	Events of Default	42
Section 7.02.	Consequences of an Event of Default	
Section 7.03.	Remedies Cumulative; Solely for the Benefit of	
Section 7.001	Purchaser	45
Section 7.04.	Waivers or Omissions	
Section 7.05.	Discontinuance of Proceedings	
ARTICLE VIII	Indemnification	46
Section 8.01.	Indemnification	46
Section 8.01.	Survival	
ARTICLE IX	Miscellaneous	47
Section 9.01.	Patriot Act Notice	47/

Section 9.02.	Further Assurances	47
Section 9.03.	Amendments and Waivers; Enforcement	
Section 9.04.	No Implied Waiver; Cumulative Remedies	
Section 9.05.	Notices	48
Section 9.06.	Right of Setoff	
Section 9.07.	No Third-Party Rights	50
Section 9.08.	Severability	50
Section 9.09.	Governing Law; Consent to Jurisdiction and Venue;	
	Waiver of Jury Trial	50
Section 9.10.	ArbitrationError! Bookmark no	
Section 9.11.	Prior Understandings	51
Section 9.12.	Duration	51
Section 9.13.	Counterparts	51
Section 9.14.	Successors and Assigns	
Section 9.15.	No Advisory or Fiduciary Responsibility	53
Section 9.16.	Headings	54
Section 9.17.	Electronic Signatures	

## **EXHIBITS**

EXHIBIT A - FORM OF COMPLIANCE CERTIFICATE

EXHIBIT B - BREAKAGE FEE CALCULATION

## CONTINUING COVENANT AGREEMENT

THIS CONTINUING COVENANT AGREEMENT, dated as of March 1, 2017 (as amended, supplemented, modified or restated from time to time, this "Agreement"), among the COUNTY OF CONTRA COSTA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly created by and existing under the laws of the State of California (the "Authority"), the COUNTY OF CONTRA COSTA, body corporate and politic and political subdivision of the State of California (the "County"), and Wells Fargo Bank, National Association, a national banking association.

#### RECITALS

WHEREAS, the Authority is issuing its Lease Revenue Bonds (Refunding and Capital Projects) 2017 Series A (the "Bonds") pursuant to a Trust Agreement dated as of March 1, 2017 (as the same may be amended, supplemented, modified or restated in accordance with the terms thereof and hereof, the "Trust Agreement"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and

WHEREAS, the Authority has previously issued its Lease Revenue Bonds (Refunding and Various Capital Projects) 2007 Series A, its Lease Revenue Bonds (Medical Center Refunding) 2007 Series B and its Lease Revenue Bonds (Capital Projects Program) 2009 Series A (collectively, the "*Refunded Bonds*") to assist the County in financing certain capital projects and to refund certain outstanding bonds issued for the benefit of the County.

WHEREAS, the County wishes to cause the refunding of the Refunded Bonds and to finance certain capital projects.

WHEREAS, pursuant to the terms of the hereinafter defined Site Lease, the County has leased to the Authority the Facilities (as hereinafter defined).

WHEREAS, pursuant to the terms of the hereinafter defined Facilities Lease, the Authority has subleased to the County the Facilities.

WHEREAS, the principal of and interest on the Bonds will be payable from the Base Rental Payments (as hereinafter defined) made by the County to the Authority pursuant to the terms of the Facilities Lease and the Authority has assigned its rights to receive such Base Rental Payments to the Trustee;

WHEREAS, the Purchaser has agreed to purchase the Bonds, and as a condition to such purchase, the Purchaser has required the County and the Authority to enter into this Agreement.

Now, Therefore, to induce the Purchaser to purchase the Bonds, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the County, the Authority and the Purchaser hereby agree as follows:

#### ARTICLE I

## **DEFINITIONS**

Section 1.01. Certain Defined Terms. In addition to the terms defined in the recitals and elsewhere in this Agreement, the Trust Agreement and the Facilities Lease, the following terms shall have the following meanings:

"1933 Act" means the Securities Act of 1933, as amended.

"Additional Payments" has the meaning set forth in the Facilities Lease.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Anti-Terrorism Laws" has the meaning set forth in Section 5.01(aa) hereof.

"Applicable Law" means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Governmental Approvals and (iii) orders, decisions, judgments, writs, injunctions and decrees of all courts (whether at law or in equity) and arbitrators.

"Authority" has the meaning set forth in the introductory paragraph hereof.

"Authority Representative" means any person authorized from time to time in writing by the Authority, or its successors and assigns, to perform a designated act or execute a designated document.

"Bank Agreement" means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes issued by or on behalf of the County.

"Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.0%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.0%), and (iii) seven percent (7.0%).

"Base Rental Payments" has the meaning set forth in the Facilities Lease.

"Bond Counsel" means Nixon Peabody LLP or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the County.

*"Bondholder"* means the Purchaser and each Purchaser Transferee or Non-Purchaser Transferee pursuant to Section 9.13 hereof so long as such Purchaser Transferee or Non-Purchaser Transferee is an owner of Bonds.

"Bonds" has the meaning set forth in the recitals hereof.

"Breakage Fee" has the meaning set forth in Section 3.07 hereof.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in San Francisco, California or New York, New York or the states where the principal corporate office of the County or the principal corporate trust office of the Trustee is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which the principal office of the Purchaser is closed.

"Code" means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

"Compliance Certificate" means a certificate substantially in form of Exhibit A hereto.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the County or the Authority, as applicable, are treated as a single employer under Section 414 of the Code.

"County" has the meaning set forth in the introductory paragraph hereof.

"County Representative" means any person authorized from time to time in writing by the County, or its successors and assigns, to perform a designated act or execute a designated document.

"Cross-Default Parity Debt" means any Debt (solely to the extent described in subparagraphs (a), (b) or (e) of the definition of Debt) of the County (including, without limitation, lease revenue bonds and certificates of participation) or issued on behalf of the County that is payable directly from, and rated based on, the County's general fund.

"Debt" of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person as lessee under capital leases, (d) all Guarantees by such Person of Debt of other Persons, (e) the maximum amount of all direct obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments and (f) all obligations of such Person under any Swap Contract.

"Default" means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

"Default Rate" means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus three percent (3.0%).

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

- (i) the date on which the County or the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;
- the date on which the Bondholder or any former Bondholder notifies the (ii) Authority and the County that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the County and the Authority of such notification from the Bondholder or any former Bondholder, the County or the Authority shall deliver to the Bondholder and any former Bondholder (A) the opinion of another nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that no Event of Taxability has occurred, or (B) a ruling or determination letter issued to or on behalf of the County or the Authority by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;
- (iii) the date on which the Authority or the County shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the County and/or the Authority, or upon any review or audit of the County and/or the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or
- (iv) the date on which the County and/or the Authority shall receive notice from the Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder or such former Bondholder the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the County has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder or former Bondholder, the Authority shall promptly reimburse, as Additional Payments, but solely from payments made by the County, such Bondholder or former Bondholder for any payments, including any taxes, interest, penalties or other charges, such Bondholder (or former Bondholder) shall be obligated to make as a result of the Determination of Taxability.

"DTC" means The Depository Trust Company.

"Effective Date" means March [\_\_], 2017 subject to the satisfaction or waiver by the Purchaser of all of the conditions precedent set forth in Article IV hereof.

"EMMA" means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

"Event of Default" with respect to this Agreement has the meaning set forth in Section 7.01 hereof and, with respect to any Related Document, has the meaning set forth therein.

"Event of Taxability" means the occurrence or existence of any fact, event or circumstance resulting from the taking of any action by the County or the Authority, or the failure to take any action by the County or the Authority, or the making by the County or the Authority of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondholder or any former Bondholder for federal income tax purposes.

"Excess Interest Amount" has the meaning set forth in Section 3.04 hereof.

"Excluded Taxes" means, with respect to the Purchaser or any Bondholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes

imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Purchaser or such Bondholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Purchaser is located.

"Executive Order" has the meaning set forth in Section 5.01(aa) hereof.

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

"Facilities Lease" means the lease, entitled "Facilities Lease" by and between the County and the Authority, dated as of March 1, 2017, which facilities lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [\_\_\_\_\_] as document No. [\_\_\_\_\_], as originally executed and recorded or as it may from time to time be amended, supplemented, modified or restated pursuant to the provisions hereof and thereof.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to Well Fargo Bank, National Association on such day on such transactions as determined by Well Fargo Bank, National Association. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

"Fiscal Year" means the twelve-month period from July 1 through the following June 30.

"Fitch" means Fitch, Inc., and any successor rating agency.

"FRB" means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, statements and pronouncements of the Financial Accounting Standards Board (or any successor authority) and statements and pronouncements of the Governmental Accounting Standards Board (or any successor authority), in each case in effect from time to time in the United States and applicable to entities such as the County.

"Governmental Approval" means an authorization, consent, approval, permit, license, a registration or filing with any Governmental Authority.

"Governmental Authority" means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

"Guarantee" means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Debt or other obligation of the payment or performance of such Debt or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Debt or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Debt or other obligation of any other Person, whether or not such Debt or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Debt to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning set forth in Section 8.01 hereof.

"Investment Policy" means the investment policy of the County delivered to the Purchaser pursuant to Section 4.01(a)(vi) hereof.

"Investor Letter" has the meaning set forth in Section 9.13(c) hereof.

"Law" means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

"Lease Payments" means, collectively, the Base Rental Payments and the Additional Payments.

"Liabilities" has the meaning set forth in Section 8.01 hereof.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Majority Bondholder" means the Bondholders with a majority of the aggregate principal amount of Bonds from time to time. As of the Effective Date, Wells Fargo Bank, National Association shall be the Majority Bondholder.

"Margin Stock" has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

"Material Adverse Effect" means: (a) a material adverse change in the financial condition of the County; (b) a material impairment of the ability of the County or the Authority to perform its respective obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the County or the Authority of any Related Document to which it is a party.

"Maximum Annual Rent" means, for each Rental Payment Period, [\$\_\_\_\_\_] or, if the fair rental value of the Facilities has changed after the Effective Date, including through the release of Facilities pursuant to Section 2.02 of the Facilities Lease or the substitution, release or addition of real property pursuant to Section 2.03 of the Facilities Lease, the fair rental value of the Facilities for such Rental Payment Period as determined by a written appraisal of an independent appraiser or as otherwise reasonably determined by the County in accordance with the Facilities Lease.

"Maximum Interest Rate" means the maximum rate of interest on the relevant obligation permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc. and any successor rating agency.

"Non-Purchaser Transferee" has the meaning set forth in Section 9.13(c) hereof.

"Obligations" means all amounts payable by the County and/or the Authority, and all other obligations to be performed by the County and/or the Authority, pursuant to this Agreement and the other Related Documents (including any amounts to reimburse the Purchaser for any advances or expenditures by it under any of such documents).

"OFAC" has the meaning set forth in Section 5.01(aa) hereof.

"Other Taxes" has the meaning set forth in Section 3.05(a) hereof.

"Parity Debt" means any Debt of the County (including, without limitation, lease revenue bonds and certificates of participation) or issued on behalf of the County that is payable directly from, and rated based on, the County's general fund.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Encumbrances" has the meaning set forth in the the Trust Agreement.

"Person" means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Plan" means, with respect to the County or the Authority, as applicable, at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the County or the Authority, as applicable, is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the County or the Authority, as applicable, is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Prime Rate" means on any day, the rate of interest per annum then most recently established by the Purchaser as its "prime rate." Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Purchaser to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Purchaser may make various business or other loans at rates of interest having no relationship to such rate. If the Purchaser ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Purchase Price" has the meaning set forth in Section 2.01(a) hereof.

"Purchaser" means, initially, Wells Fargo Bank, National Association, a national banking association, and its successors and assigns, and upon the receipt from time to time by the Trustee and the County of a notice described in Section 9.13(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 9.13(a) hereof.

"Purchaser Affiliate" means the Purchaser and any Affiliate of the Purchaser, and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Securities (a trade name).

"Purchaser Transferee" has the meaning set forth in Section 9.13(b) hereof.

"Rating Agency" means any of S&P, Moody's and Fitch, as applicable.

"Related Documents" means this Agreement, the Trust Agreement, the Bonds, the Site Lease, the Facilities Lease and any exhibits, schedules, instruments or agreements relating thereto, as the same may be amended, modified or supplemented in accordance with the terms thereof and hereof.

"Rental Payment Period" has the meaning set forth in the Facilities Lease.

"Revenues" has the meaning set forth in the Trust Agreement.

"S&P" means S&P Global Ratings, and any successor rating agency.

"Site Lease" means the lease, entitled "Site Lease," by and between the County and the Authority, dated as of March 1, 2017, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of Contra Costa on [\_\_\_\_\_] as document No. [\_\_\_\_], as originally executed and recorded or as it may from time to time be amended, supplemented, modified or restated pursuant to the provisions hereof and thereof.

"State" means the State of California.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing),

whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Taxable Date" means the date on which interest on the Bonds is first includable in gross income of the Bondholder (including, without limitation, any previous Bondholder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"Taxable Period" has the meaning set forth in Section 3.03 hereof.

"Taxable Rate" means, for each day during a Taxable Period, a rate of interest per annum equal to the product of (i) the interest rate on the Bonds for such day and (ii) 1.54.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

"Title Company" means First American Title Insurance Company.

"Trustee" has the meaning set forth in the recitals hereof.

"Trust Agreement" has the meaning set forth in the recitals hereof.

Section 1.02. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.03. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word "including" shall be deemed to mean "including but not limited to," and "or" has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The Section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

Section 1.04. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder

shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.05 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the County, the Authority or the Purchaser may by notice to the other party hereto, require that the Purchaser and the County and the Authority negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the County shall be the same as if such change had not been made. No delay by the County, the Authority or the Purchaser in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with GAAP in effect prior to such change in accounting principles.

- Section 1.05. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the County or the Authority of its respective obligations under, any Related Document to which they are a party. Conversely, to the extent that the provisions of any Related Document allow the County or the Authority to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the County and the Authority nevertheless shall be fully bound by the provisions of this Agreement.
- (b) Except as provided in subsection (c) of this Section 1.05, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.
- (c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

#### ARTICLE II

## PURCHASE OF BONDS

## Section 2.01. Purchase of Bonds.

- (a) Purchase Price. Upon the conditions set forth in Article IV hereof and based on the representations, warranties and covenants of the County and the Authority set forth in the Trust Agreement, the Facilities Lease and herein, the Purchaser hereby agrees to purchase from the Authority and the Authority agrees to sell to the Purchaser, all, but not less than all, of the Bonds at par in an aggregate principal amount equal to [\$Par Amount] for the Bonds (the "Purchase Price").
- (b) Closing. On the Effective Date, the County and the Authority shall deliver to the Purchaser the documents described in Article IV hereof. Upon delivery of such documents and the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof, the Purchaser will pay the full Purchase Price in immediately available federal funds payable to the Trustee on behalf of the County and the Authority. One fully registered Bond, in the aggregate principal amount equal to the applicable Purchase Price, shall be issued to and registered in the name of Cede & Co., nominee for DTC, as securities depository, and the beneficial interests in the Bonds so registered will be credited to such accounts with DTC as the Purchaser shall designate.

## ARTICLE III

## THE COUNTY'S AND AUTHORITY'S OBLIGATIONS

Section 3.01. Payment Obligations. (a) The County or the Authority, as applicable, hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all payment obligations owed to the Purchaser under the Related Documents, and to pay any other Obligations owing to the Purchaser whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in such Related Documents and under such Obligations.

- (b) The principal and interest on the Bonds is due and payable on each mandatory sinking fund payment date and on the maturity date in accordance with the Trust Agreement. In the event the Bondholders have not received all payments on the Bonds due on each mandatory sinking fund payment date and on the maturity date in accordance with the Trust Agreement, it shall constitute an Event of Default hereunder and under the Trust Agreement and the County and/or the Authority shall pay or cause to be paid to the Bondholders interest on the unpaid principal amount of such Bonds from such mandatory sinking fund payment date or the maturity date, as applicable, until the date all such Bonds are paid in full at a rate per annum equal to the Default Rate, payable on demand. The Bonds shall mature on the maturity date in accordance with the Trust Agreement unless, prior to such date, the Bonds are accelerated pursuant to the Trust Agreement due to an Event of Default or the Bonds are redeemed or otherwise prepaid in full prior to such date at the option of the Corporation in accordance with the Trust Agreement and Section 6.17(b) herein. Any optional redemption or prepayment shall be subject to Section 3.07 hereof.
- (c) The County and/or the Authority, as applicable, shall pay to the Purchaser, as Additional Payments, within thirty (30) days after demand:
  - (i) if an Event of Default shall have occurred, all costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Related Documents and such other documents which may be delivered in connection therewith;
  - (ii) a fee for each amendment to this Agreement or any other Related Document or any consent or waiver by the Purchaser with respect to any Related Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Purchaser;
  - (iii) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Purchaser in connection with advising the Purchaser as to its rights and responsibilities under this Agreement and the other Related Documents in connection with responding to requests from the County or the Authority for approvals, consents and waivers; and
  - (iv) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate.

In addition, if at any time any Governmental Authority shall require revenue or other documentary stamps or any other tax in connection with the execution or delivery of this Agreement or other Related Documents, then, if the County and/or the Authority lawfully may pay for such stamps, taxes or fees, the County and/or the Authority, as applicable, shall pay as Additional Payments, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the County and the Authority agree to save the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay of the

County and/or the Authority in paying, or omission of the County and/or the Authority to pay, such stamps, taxes and fees hereunder.

- Section 3.02. Default Rate. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the Authority to each Bondholder (or, if applicable, the Purchaser) upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed. Notwithstanding anything to the contrary herein, upon a Determination of Taxability, the Obligations shall bear interest at the Taxable Rate rather than the Default Rate, and, together with Section 3.03 hereof, shall be the sole remedies for a breach of Section 6.24 hereof; provided that if any other Event of Default shall have occurred and be continuing (other than as a result of a breach of Section 6.24 hereof), the Obligations shall bear interest at the Default Rate.
- Section 3.03. Determination of Taxability. (i) In the event a Determination of Taxability occurs, to the extent not payable to each Bondholder (or to the Purchaser for the period that it was the Bondholder of any of the Bonds) under the terms of the Trust Agreement and the Bonds, the County and/or the Authority, as applicable, hereby agrees to pay as Additional Payments to the Authority or each Bondholder (or, if applicable, the Purchaser), as required pursuant to the terms of the Facilities Lease, on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Bondholder (or, if applicable, the Purchaser) on the Bonds during the period for which interest on the Bonds is included in the gross income of such Bondholder (or, if applicable, the Purchaser) if the Bonds had borne interest at the Taxable Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of interest actually paid to the Bondholder (or, if applicable, the Purchaser) during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Bondholder (or, if applicable, the Purchaser) as a result of interest on the Bonds becoming included in the gross income of such Bondholder (or, if applicable, the Purchaser), together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by such Bondholder (or, if applicable, the Purchaser) in connection therewith;
- (ii) Subject to the provisions of clause (iii) below, such Bondholder (or, if applicable, the Purchaser) shall afford the County and/or the Authority the opportunity, at its sole cost and expense, to contest any challenge to the validity of the tax exemption with respect to the interest on the Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); provided that, in no event shall a Bondholder be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the County and/or the Authority or any other Person; and
- (iii) As a condition precedent to the exercise by the County and/or the Authority of its right to contest set forth in clause (ii) above, the County and/or the Authority, as applicable, shall, on demand, immediately reimburse such Bondholder (or, if applicable, the Purchaser), as Additional Payments, for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by such Bondholder (or, if applicable, the Purchaser) in its sole discretion) that may be incurred by the Bondholder (or, if applicable, the Purchaser) in connection with any such contest, and shall, on demand, immediately reimburse the Bondholder (or, if applicable, the Purchaser) for any and all penalties or other charges payable by such

Bondholder (or, if applicable, the Purchaser) for failure to include such interest in its gross income.

Section 3.04. Maximum Interest Rate. (i) If the amount of interest payable for any period in accordance with the terms hereof or the Bonds exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

- (ii) Any interest that would have been due and payable for any period but for the operation of the immediately preceding subclause (i) shall accrue and be payable as provided in this subclause (ii) and shall, less interest actually paid to each Bondholder for such period, constitute the "Excess Interest Amount." If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Bondholder of the entire Excess Interest Amount.
- (iii) Notwithstanding the foregoing, on the date on which no principal amount with respect to the Bonds remains unpaid, the County and/or the Authority, as applicable, shall pay to each Bondholder as Additional Payments a fee equal to any accrued and unpaid Excess Interest Amount.

Net of Taxes, Etc. (a) Any and all payments to the Purchaser or any Section 3.05. Bondholder by the County and/or the Authority hereunder or with respect to the Bonds shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the County and/or the Authority shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Bonds, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Purchaser or such Bondholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County and/or the Authority, as applicable, shall make such deductions and (iii) the County and/or the Authority, as applicable, shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the County and/or the Authority shall make any payment under this Section to or for the benefit of the Purchaser or such Bondholder with respect to Indemnified Taxes and if the Purchaser or such Bondholder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Purchaser or such Bondholder to any taxing jurisdiction in the United States of America then the Purchaser or such Bondholder shall pay to the County and/or the Authority, as applicable, an amount equal to the amount by which such other taxes are actually reduced; provided, that the aggregate amount payable by the Purchaser or such Bondholder pursuant to this sentence shall not exceed the aggregate amount previously paid by the County and/or the Authority with respect to such Indemnified Taxes. In addition, the County and/or the Authority, as applicable, agree to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Bonds or from the execution or delivery of this Agreement or the Bonds, or otherwise with respect to this Agreement or the Bonds (hereinafter referred to as "Other Taxes"). The Purchaser or such Bondholder shall provide to the County and the Authority within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the County and/or the Authority to the Purchaser or such Bondholder hereunder; provided, that the Purchaser or such Bondholder's failure to send such notice shall not relieve the County and/or the Authority, as applicable, of its obligation to pay such amounts hereunder.

(b) The County and/or the Authority, as applicable, shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Purchaser or such Bondholder for the full amount of Indemnified Taxes and Other Taxes, as Additional Payments, including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Purchaser or such Bondholder or any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the County and/or the Authority, as applicable, shall not be obligated to pay the Purchaser or such Bondholder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Purchaser or such Bondholder's gross negligence or willful misconduct. The Purchaser or such Bondholder agrees to give notice to the County and the Authority of the assertion of any claim against the Purchaser or such Bondholder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion;

provided, that the Purchaser or such Bondholder's failure to notify the County and the Authority promptly of such assertion shall not relieve the County and the Authority, as applicable, of its obligation under this Section. Payments by the County or the Authority, as applicable, pursuant to this Section shall be made within thirty (30) days from the date the Purchaser or such Bondholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Purchaser or such Bondholder agrees to repay to the County or the Authority, as applicable, any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the County or the Authority pursuant to this Section received by the Purchaser or such Bondholder for Indemnified Taxes or Other Taxes that were paid by the County or the Authority pursuant to this Section and to contest, with the cooperation and at the expense of the County of the Authority, any such Indemnified Taxes or Other Taxes which the Purchaser or such Bondholder or the County or the Authority reasonably believes not to have been properly assessed.

- (c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the County or the Authority, as applicable, the County or the Authority, as applicable, shall furnish to the Purchaser or such Bondholder, as applicable, the original or a certified copy of a receipt evidencing payment thereof.
- (d) Without prejudice to the survival of any other agreement of the County or the Authority hereunder, the agreements and obligations of the County or the Authority, as applicable, contained in this Section shall survive the termination of this Agreement and the payment in full of the Bonds and the obligations of the County and the Authority thereunder and hereunder for a period of three (3) years following termination of this Agreement.

Section 3.06. Obligations Absolute. The payment obligations of the County and/or the Authority, as applicable, under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances.

Notwithstanding this Section, the Purchaser acknowledges the County and/or the Authority, as applicable, may have the right to bring a cause of action with respect to certain circumstances, such as any lack of validity or enforceability of this Agreement, the Bonds or any other Related Documents. The County's and the Authority's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid. Notwithstanding anything to the contrary herein, nothing contained in this Section 3.06 shall abrogate or otherwise affect the rights of the County pursuant to Section 3.06 of the Facilities Lease.

Section 3.07. Breakage Fee. In addition to the redemption of the Bonds required under Section 6.17(b) hereof, the Bonds may be prepaid pursuant to Section 4.01 and Section 4.02 of the Trust Agreement in whole or in part at any time upon at least thirty (30) Business Days' prior written notice to the Purchaser specifying the amount of prepayment. In the event the County pursuant to this Section redeems the Bonds in whole or in part, the County shall, at the time of such prepayment, pay to the Purchaser as Additional Payments the interest accrued to the date of

prepayment plus an additional fee or redemption premium equal to the "Breakage Fee" as described in Exhibit B hereto (the "*Breakage Fee*"). Notwithstanding the foregoing, no Breakage Fee shall apply in connection with an extraordinary redemption of the Bonds under Section 4.01 of the Trust Agreement.

- Section 3.08. Nature of Obligations. (a) Notwithstanding the foregoing or any other term or payment obligation set forth herein, the obligations of the Authority under this Agreement are a special obligation of the Authority payable solely from the Revenues and Additional Payments.
- (b) Notwithstanding the foregoing or any other term or payment obligation set forth herein, the County shall have no obligation to make Lease Payments in any Rental Payment Period under the Facilities Lease in excess of the maximum annual fair market rental value of the Facilities for such period. The County hereby represents and warrants that its obligations to make Lease Payments and the obligations of the County under this Agreement are payable in accordance with the provisions of the Facilities Lease as Lease Payments (subject to the preceding sentence) and the amounts on deposit with the Trustee and held by the Trustee under the Trust Agreement. The County further represents and warrants that the obligations of the County under the Facilities Lease to make the Lease Payments are payable from the General Fund of the County and any other legally available funds of the County.

## ARTICLE IV

## CONDITIONS PRECEDENT TO PURCHASE OF BONDS

- Section 4.01. Documentary Requirements. The obligation of the Purchaser to purchase the Bonds is subject to the conditions precedent that the Purchaser shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Purchaser.
- (a) The following County and Authority authorizing resolutions and financial information:
  - (i) copies of the resolutions of the governing body of the County approving the execution and delivery of the Related Documents to which the County is a party, approving the form of the Related Documents to which it is not a party and the other matters contemplated hereby, certified by a County Representative as being true and complete and in full force and effect on the Effective Date;
  - (ii) copies of the resolutions of the governing body of the Authority approving the execution and delivery of the Related Documents to which the Authority is a party, approving the form of the Related Documents to which it is not a party and the other matters contemplated hereby, certified by an Authority Representative as being true and complete and in full force and effect on the Effective Date;
  - (iii) the audited annual financial statements of the County for the Fiscal Year ended June 30, 2016; and

- (iv) a copy of the County's Investment Policy in effect as of the Effective Date.
- (b) The following financing documents:
- (i) an executed original or certified copy, as applicable, of each of the Related Documents; and
  - (ii) a specimen copy of the Bond.
- (c) The following opinions, dated the Effective Date and addressed to the Purchaser or on which the Purchaser is otherwise expressly authorized to rely:
  - (i) from counsel to the County, opinions as to the due authorization, execution and delivery of the Related Documents to which the County is a party, no pending (with service of process of the County complete) litigation (to such counsel's knowledge) against and naming the County challenging any of the Related Documents or the issuance of the Bonds, and such other customary matters as the Purchaser may reasonably request;
  - (ii) from counsel to the Authority, opinions as to the due authorization, execution and delivery of the Related Documents to which the Authority is a party, no pending (with service of process of the Authority complete) litigation (to such counsel's knowledge) against and naming the Authority challenging any of the Related Documents or the issuance of the Bonds and such other customary matters as the Purchaser may reasonably request; and
  - (iii) from Bond Counsel, opinions to the effect that the Related Documents to which the County and/or the Authority are a party constitute the valid and binding obligations of the County and/or the Authority, as the case may be, and the interest on the Bonds is excludable from gross income for federal income tax purposes and such other customary matters as the Purchaser may reasonably request.
  - (d) The following documents and other information:
  - (i) a certificate dated the Effective Date and executed by a County Representative certifying (A) that there has been no event or circumstance since June 30, 2016, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date and (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default;
  - (ii) a certificate dated the Effective Date and executed by an Authority Representative certifying (A) that there has been no event or circumstance since June 30,

2016, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Related Documents are true and correct in all material respects on the Effective Date and (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default;

- (iii) (x) a certificate dated the Effective Date and executed by a County Representative certifying the names and signatures of the persons authorized to sign, on behalf of the County, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder and (y) a certificate dated the Effective Date and executed by an Authority Representative certifying the names and signatures of the persons authorized to sign, on behalf of the Authority, the Related Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder;
- (iv) a certificate of the County that the fair rental value of the Facilities for each Base Rental Period is at least equal to maximum Lease Payments to be made under the Facilities Lease in any Rental Payment Period;
- (v) true and correct copies of all Governmental Approvals, if any, necessary for the County and the Authority to execute, deliver and perform the Related Documents to which it is a party;
- (vi) evidence of the County's hazard and rental interruption insurance for the Facilities and such other insurance in form and substance satisfactory to the Purchaser.
- (vii) an ALTA extended coverage leasehold policy of title insurance (2006) (or a commitment therefor), issued by the Title Company and in favor of the Trustee, in an amount not less than the aggregate principal amount of the Bonds, subject only to such exceptions as shall be acceptable to the Purchaser, with such endorsements and affirmative coverages as may be reasonably required by the Purchaser, and otherwise in form and substance satisfactory to the Purchaser and its counsel;
- (viii) recent evidence that the unenhanced long-term debt rating assigned by Moody's and S&P to any Parity Debt is at least "Aa3" and "AA+," respectively; and
- (ix) evidence that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Bond.
- Section 4.02. Litigation. The Purchaser shall have received a written description of all actions, suits or proceedings pending, with service of process on the County or the Authority complete, against the County or the Authority in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect, if any, and such information with respect thereto as the Purchaser may reasonably request.

Section 4.03. Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement and the Related Documents shall be satisfactory to the Purchaser and its counsel, and the Purchaser shall have received such other statements, certificates, agreements, documents and information with respect to the County, the Authority and the other parties to the Related Documents and matters contemplated by this Agreement as the Purchaser may reasonably request.

Section 4.04. Payment of Fees and Expenses. On or prior to the Effective Date, the Purchaser shall have received reimbursement of the following fees and expenses of the Purchaser:

- (i) the reasonable fees and expenses of Chapman and Cutler LLP, as counsel to the Purchaser; and
- (ii) any fee payable to the California Debt and Investment Advisory Commission by the Purchaser with respect to the Bonds.

## ARTICLE V

## REPRESENTATIONS AND WARRANTIES

- Section 5.01. Representations of the County. The County makes the following representations and warranties to each Bondholder:
- (a) Existence and Power. The County is a county organized and validly existing under the Constitution and general laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.
- (b) *Due Authorization*. (i) The County has the corporate power, and has taken all necessary corporate action to authorize the Related Documents to which it is a party, and to execute, deliver and perform its obligations under this Agreement and each of the other Related Documents to which it is a party in accordance with their respective terms. The County has approved the form of the Related Documents to which it is not a party.
- (ii) The County is duly authorized and licensed to own its Property and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate such Property or business activity and the departments, agencies and political subdivisions thereof, and the County has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the County to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force

and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the County of this Agreement or the due execution, delivery or performance by the County of the Related Documents.

- (c) Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the County, and each of the Related Documents to which the County is a party, when executed and delivered by the County will be, a legal, valid and binding obligation of the County enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (d) *Non-contravention; Compliance with Law.* (i) The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with their respective terms do not and will not (A) contravene the County's authorizing legislation, (B) require any consent or approval of any creditor of the County, (C) violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations), (D) conflict with, result in a breach of or constitute a default under any contract to which the County is a party or by which it or any of its Property may be bound, including, without limitation, the Facilities, or (E) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the County or any Affiliate thereof, including, without limitation, the Facilities, except such Liens, if any, expressly created by a Related Document.
- (ii) The County is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.
- (e) Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the County or any arbitration in which service of process has been completed against the County or, to the knowledge of the County, any other action, suit or proceeding pending in which service of process has been completed against the County in any court, any other governmental authority with jurisdiction over the County or any arbitrator, in either case against the County or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the County would materially and adversely affect the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Purchaser has received an opinion of counsel satisfactory to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.

- (f) Financial Statements. The audited financial statements of the County as at June 30, 2016, and the related consolidated statement of activities and changes in net assets and the consolidated statement of cash flows for the Fiscal Year then ended, and accompanying notes thereto, which financial statements, accompanied by the audit report of [\_\_\_\_\_\_], nationally recognized independent public accountants, heretofore furnished to the Purchaser, which are consistent, except to the extent stated therein, in all material respects with the audited financial statements of the County for the Fiscal Year ended June 30, 2015, fairly present the financial condition of the County in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP. Since June 30, 2016, there has been no material adverse change in the financial condition or operations of the County that could reasonably be expected to result in a Material Adverse Effect.
- (g) Employee Benefit Plan Compliance. Except as previously disclosed in writing to the Purchaser, the County has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material Adverse Effect. The County and each employee benefit plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto. Neither the County nor a member of the Controlled Group is subject to ERISA or maintains a Plan.
- (h) *No Defaults*. No default by the County has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Parity Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the County are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The County is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The County is not in violation of any material term of the authorizing legislation applicable to the County or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.
- (i) *Insurance*. The County currently maintains a system of self-insurance and extended insurance coverage with insurance companies believed by the County to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the County (as determined in its reasonable discretion) and in full compliance with the Facilities Lease and Section 6.04 hereof.
- (j) Title to Assets and Facilities. The County has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect. The Facilities Lease is in full force and effect. The County, as lessee under the Facilities Lease, has beneficial use and occupancy of each of the Facilities. The Trustee has not granted to the County or the Authority any waiver, indulgence or postponement of any of the County's obligations under the Facilities Lease. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Facilities Lease.

The County has a valid and enforceable fee simple interest in the Facilities, subject only to Permitted Encumbrances.

- (k) Incorporation by Reference. The representations and warranties of the County contained in the other Related Documents to which the County is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the County in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.
- Correct Information. All written information, reports and other papers and data with respect to the County furnished by the County to the Purchaser were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the County to the Purchaser were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Purchaser in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the County, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the County that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Bonds, or the ability of the County to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.01(1) or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser. The documents furnished and statements made by the County in connection with the negotiation, preparation or execution of this Agreement and the Related Documents did not, as of the date furnished or made, contain untrue statements of material facts or, when taken as a whole, omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- (m) *Investment Company*. The County is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.
- (n) *Margin Stock*. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the issuance of the Bonds will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

- (o) *Tax-Exempt Status*. The County has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of interest on the Bonds from State personal income taxes.
- (p) *Usury*. The County is authorized to enter into this Agreement and the transactions contemplated hereby by Section [\_\_\_\_] of the California Government Code. In accordance with Section [\_\_\_\_] of the California Government Code, the obligations of the Authority under the Related Documents and the Bonds and all other Obligations hereunder are not subject to any limitation as to maximum interest-rate.
- (q) *Nature of Obligations*. The Bonds and the other Obligations are payable from the Lease Payments appropriated from the County's general fund.
- (r) Pending Legislation and Decisions. There is no amendment, or to the knowledge of the County, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially and adversely affect the issuance of any of the Bonds, the security for any of the Bonds or any Obligation, the creation, organization, or existence of the County or the titles to office of any officers executing this Agreement or any Related Documents to which the County is a party or the County's ability to repay when due its obligations under this Agreement, any of the Bonds or any other Obligation.
- (s) *Trustee*. [Wells Fargo Bank, National Association] is the duly appointed and acting Trustee for the Bonds.
- (t) Environmental Matters. (i) The operations of the County are, to the County's knowledge after reasonable diligence with respect thereto, in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect and (ii) the operations of the County with respect to the Facilities are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action could reasonably be expected to result in a Material Adverse Effect and or a material adverse effect on the annual fair market rental value of any of the Facilities.
- (u) *No Immunity*. The County is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action,

suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or the Revenues or Additional Payments might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the County or the Revenues or Additional Payments.

- (v) No Public Vote or Referendum. To the knowledge of the County after reasonable diligence with respect thereto, there is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected result in a Material Adverse Effect.
- (w) Fees Are Additional Payments. Other than the principal and interest on the Bonds which constitute Base Rental Payments under the Facilities Lease, the amounts payable by the Authority to the Purchaser and the other Bondholders hereunder constitute Additional Payments under Section 3.02 of the Facilities Lease that the County is obligated to pay to the Authority or the Trustee for payment to the Purchaser or to the Purchaser directly.
- (x) Fair Rental Value. The total Lease Payments for the Facilities for each Rental Payment Period do not exceed the fair rental value of the Facilities for each such period. In making such determination of fair rental value, consideration has been given to the uses and purposes which may be served by each of the Facilities and the benefits therefrom which will accrue to the County and the general public.
- (y) *Essentiality*. The Facilities are essential assets of the County necessary to serve the needs of the residents of the County. The County believes that at all times while any Lease Payments or any obligation of the County under the Related Documents remains unpaid, each of the Facilities will remain essential assets of the County.
- (z) Anti-Terrorism Laws. (i) The County is not in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the Patriot Act;
  - (ii) The County is not any of the following:
  - (A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (B) a Person controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (C) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

- (D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
- (E) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;
- (iii) The County does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.
- Section 5.02. Representations of the Authority. The Authority makes the following representations and warranties to each Bondholder:
- (a) Existence and Power. The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State pursuant to an agreement entitled "Amended and Restated Joint Exercise of Powers Agreement," dated June 16, 2015, by and between the County and the Contra Costa County Flood Control and Water Preservation District, and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.
- (b) *Due Authorization*. (i) The Authority has the corporate power, and has taken all necessary corporate action to authorize the Related Documents to which it is a party, and to execute, deliver and perform its obligations under this Agreement and each of the other Related Documents to which it is a party in accordance with their respective terms. The Authority has approved the form of the Related Documents to which it is not a party.
- (ii) The Authority is duly authorized and licensed to own its Property and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate such Property or business activity and the departments, agencies and political subdivisions thereof, and the Authority has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the Authority to enter into this Agreement and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is

required for the due execution, delivery and performance by the Authority of this Agreement or the due execution, delivery or performance by the Authority of the Related Documents.

- (c) Valid and Binding Obligations. This Agreement has been duly executed and delivered by one or more duly authorized officers of the Authority, and each of the Related Documents to which the Authority is a party, when executed and delivered by the Authority will be, a legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (d) *Non-contravention; Compliance with Law.* (i) The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with their respective terms do not and will not (A) contravene the Authority's authorizing legislation, (B) require any consent or approval of any creditor of the Authority, (C) violate any Laws (including, without limitation, Regulations T, U or X of the FRB, or any successor regulations), (D) conflict with, result in a breach of or constitute a default under any contract to which the Authority is a party or by which it or any of its Property may be bound, including, without limitation, the Facilities, or (E) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the Authority or any Affiliate thereof, including, without limitation, the Facilities, except such Liens, if any, expressly created by a Related Document.
- (ii) The Authority is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.
- (e) Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Authority or any arbitration in which service of process has been completed against the Authority or, to the knowledge of the Authority, any other action, suit or proceeding pending in which service of process has been completed against the Authority in any court, any other governmental authority with jurisdiction over the Authority or any arbitrator, in either case against the Authority or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the Authority would materially and adversely affect the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Purchaser has received an opinion of counsel satisfactory to the Purchaser, in form and substance satisfactory to the Purchaser and the Purchaser's legal counsel, to the effect that such action, suit or proceeding is without substantial merit.
- (f) Employee Benefit Plan Compliance. Except as previously disclosed in writing to the Purchaser, the Authority has no funding liability or obligation currently due and payable with respect to any employee benefit plan which could reasonably be expected to result in a Material

Adverse Effect. The Authority and each employee benefit plan is in compliance in all material respects with the terms of any such plan and applicable law related thereto. Neither the Authority nor a member of the Controlled Group is subject to ERISA or maintains a Plan.

- (g) No Defaults. No bankruptcy, insolvency or other similar proceedings pertaining to the Authority are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No "default" or "event of default" under, and as defined in, any of the other Related Documents has occurred and is continuing. The Authority is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Authority or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.
- (h) *Title to Assets and Facilities*. The Authority has good and marketable leasehold title to the Facilities pursuant to the Site Lease free and clear of all encumbrances, security interests, liens or other charges, except for Permitted Encumbrances. The Site Lease is in full force and effect. The Authority, as lessee under the Site Lease, is in peaceable possession of the Facilities. The Trust Agreement creates a valid first priority security interest in favor of the Trustee in the Revenues and, as of the Effective Date, all necessary action on the part of the Authority has been taken as required (other than delivery of possession or after acquired moneys, securities and instruments to the Trustee) to pledge and grant a valid security interest in the Revenues for the benefit of the Purchaser and the other Bondholders under the Trust Agreement prior to any pledge, lien, assignment or security interest of any other creditors of the Authority. The Base Rental Payments have been validly assigned by the Authority to the Trustee and no further action or approval is necessary.
- (i) Incorporation by Reference. The representations and warranties of the Authority contained in the other Related Documents to which the Authority is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Authority in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.
- (j) Correct Information. All written information, reports and other papers and data with respect to the Authority furnished by the Authority to the Purchaser were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Authority to the Purchaser were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Purchaser in writing, the representations contained in this Agreement being

limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Authority, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Authority that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Bonds, or the ability of the Authority to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.02(j) or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser. The documents furnished and statements made by the Authority in connection with the negotiation, preparation or execution of this Agreement and the Related Documents did not, as of the date furnished or made, contain untrue statements of material facts or, when taken as a whole, omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

- (k) *Investment Company*. The Authority is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.
- (l) *Margin Stock*. The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the issuance of the Bonds will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.
- (m) *Tax-Exempt Status*. The Authority has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of interest on the Bonds from State personal income taxes.
- (n) *No Immunity*. The Authority is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or the Revenues or Additional Payments might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Authority or the Revenues or Additional Payments.
- (o) *Usury*. The Authority is authorized to enter into this Agreement and the transactions contemplated hereby by Section [\_\_\_\_] of the California Government Code. In accordance with Section [\_\_\_\_] of the California Government Code, the obligations of the Authority under the Related Documents and the Bonds and all other Obligations hereunder are not subject to any limitation as to maximum interest-rate.

- (p) Anti-Terrorism Laws. (i) The Authority is not in violation of any Anti-Terrorism Laws, including the Executive Order and the Patriot Act;
  - (ii) The Authority is not any of the following:
  - (A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (B) a Person controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
  - (C) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
  - (D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
  - (E) a Person that is named as a "specially designated national and blocked person" on the most current list published by OFAC or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;
- (iii) The Authority does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

### ARTICLE VI

### COVENANTS OF THE COUNTY AND THE AUTHORITY

The County and the Authority, as applicable, covenant and agree, until the full and final payment and satisfaction of all of the Obligations, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

- Section 6.01. Existence, Etc. The County shall maintain its existence pursuant to its authorizing legislation and the laws of the State. The Authority shall maintain its existence pursuant to its Joint Exercise of Powers Agreement (described in Section 5.02(a) hereof) and the laws of the State.
- Section 6.02. Maintenance of Properties. Each of the County and the Authority shall, in all material respects, maintain, preserve and keep its Property, including, without limitation, the Facilities, in good repair, working order and condition (ordinary wear and tear excepted), except

to the extent that the failure to do so could reasonably be expected to result in a Material Adverse Effect.

Section 6.03. Compliance with Laws; Taxes and Assessments. Each of the County and the Authority shall comply with all Laws applicable to it and its Property, including, without limitation, the Facilities, except where non-compliance could not reasonably be expected to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon it or its Property, including, without limitation, the Facilities, before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the County or the Authority, as applicable, are adequate.

Section 6.04. Insurance. The County shall maintain a system of self-insurance and extended insurance coverage with reputable insurance companies or associations believed by the County at the time of purchase of such insurance to be financially sound and in such amounts and covering such risks as are usually carried by organizations engaged in the same or similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage. With respect to the Facilities:

- (a) The County, at all times, shall insure each of the Facilities against such risks as are customarily insured against with respect to similar facilities and against loss or damage from such hazards, against loss of use of such Facilities, and risks to the person and property of others as are usually insured or reserved against by those with rights and interests in projects similar to such Facilities. The foregoing shall be satisfied if the County maintains the insurance described in Sections 5.01 and 5.02 of the Facilities Lease.
- (b) The County, at all times, shall maintain, or cause to be maintained, rental interruption insurance in an amount not less than the aggregate Lease Payments for a period of twenty-four (24) months, to insure against loss of rental income from any of the Facilities caused by perils covered by the insurance required in Section 5.01 of the Facilities Lease. Such insurance shall be in place as of the Effective Date and may be maintained as part of or in conjunction with any other rental interruption insurance carried by the County. The rental interruption insurance required by this Section shall not be maintained in the form of self-insurance.
- (c) The County shall maintain or cause to be maintained all other insurance as required by Article V of the Facilities Lease on the Facilities.

Section 6.05. Reports. The County and the Authority, as applicable, shall furnish to the Purchaser in form and detail satisfactory to the Purchaser:

(a) Annual Report. The County has entered into continuing disclosure undertakings in connection with its publicly offered municipal securities pursuant to which not later than March 31 (or the next succeeding Business Day if March 31 is not a Business Day) of each year (each, a "Filing Date") the County is obligated to file with EMMA the annual audited financial statements of the County for the prior Fiscal Year

together with the opinion of the County's independent accountants (collectively, the "Audited Financial Statements") which shall be available for review by the Purchaser, provided that if the County ceases to file its Audited Financial Statement with EMMA or such Audited Financial Statements are not otherwise available for review by the Purchaser, the County shall provide such Audited Financial Statements to the County on or prior to each Filing Date. The County shall provide to the Purchaser not later than each Filing Date, commencing March 31, 2018, a Compliance Certificate signed by the County Representative stating that no Default or Event of Default or Default has occurred, or if such Default or Event of Default or Default has occurred, specifying the nature of such Default or Event of Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Default or Event of Default.

- (b) *Budget*. As soon as available, and in any event within thirty (30) days following the approval or adoption thereof, the operating budget of the County.
- (c) *Trustee Notices.* As soon as available all notices, certificates, instruments, letters and written commitments in connection with the Bonds provided to the Trustee other than those notices, certificates, instruments, letters and written commitments that relate solely to the routine issuance and payment of the Bonds.
- (d) Notices of Resignation of the Trustee. As promptly as practicable, written notice to the Purchaser of any resignation of the Trustee immediately upon receiving notice of the same.
- (e) Offering Memorandum and Material Event Notices. (A) Within ten (10) days after the issuance of any securities by or on behalf of the County with respect to which a final official statement or other offering or disclosure document has been prepared by or on behalf of the County (1) a copy of such official statement or offering circular or (2) notice that such information has been filed with EMMA and is publicly available; and (B) during any period of time the County or the Authority is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, (1) a copy of any reportable event notice (as described in b(5)(i)(C) of Rule 15c2-12) disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements or (2) notice that such event notice has been filed with EMMA and is publicly available.
- (f) Notice of Default or Event of Default. (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and in any event within five (5) days thereafter, a certificate signed by a County Representative specifying in reasonable detail the nature and period of existence thereof and what action the County has taken or proposes to take with respect thereto; (ii) promptly following a written request of the Purchaser, a certificate of a County Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement;

and (iii) promptly upon obtaining knowledge of any "default" or "event of default" as defined under any Bank Agreement, notice specifying in reasonable detail the nature and period of existence thereof and what action the County has taken or proposes to take with respect thereto.

- (g) *Litigation*. As promptly as practicable, written notice to the Purchaser of all actions, suits or proceedings pending or threatened against the County or the Authority in court or before any arbitrator of any kind or before any governmental authority which could reasonably be expected to result in a Material Adverse Effect.
- (h) Other Information. Such other information regarding the business affairs, financial condition and/or operations of the County and the Authority and the Facilities as the Purchaser may from time to time reasonably request.

Section 6.06. Maintenance of Books and Records. The County and the Authority will keep proper books of record and account with respect to the County, the Authority and the Facilities in which full, true and correct entries in accordance with GAAP. All financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the County and the Authority shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 5.06 hereof.

Section 6.07. Access to Books and Records. To the extent permitted by law, the County and the Authority will permit any Person designated by the Purchaser (at the expense of the Purchaser, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the County or the Authority, as applicable) to visit any of the offices of the County or the Authority, to examine the books and financial records (except books and financial records the examination of which by the Purchaser is prohibited by law or by attorney or client privilege) or the County or the Authority, as applicable, including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the County or the Authority, as applicable, with their principal officials, all at such reasonable times and as often as the Purchaser may reasonably request.

Section 6.08. Compliance With Documents. Each of the County and the Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Trust Agreement and each of the other Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Purchaser and shall be enforceable against the County or the Authority, as applicable. To the extent that any such incorporated provision permits the County or the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other

instrument or any event or condition be acceptable or satisfactory to the County or the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Purchaser in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Purchaser which shall only be evidenced by the written approval by the Except as permitted by Section 6.15 hereof, no termination or Purchaser of the same. amendment to such covenants and agreements or defined terms or release of the County or the Authority with respect thereto made pursuant to the Trust Agreement or any of the other Related Documents to which the County or the Authority is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the County or the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Purchaser. Notwithstanding any termination or expiration of the Trust Agreement or any such other Related Document to which the County or the Authority is a party, the County and the Authority shall continue to observe the covenants therein contained for the benefit of the Purchaser until the termination of this Agreement and the payment in full of the Bonds and all other Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

### Section 6.09. Reserved.

Section 6.10. Further Assurances. From time to time hereafter, the County and the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Purchaser may reasonably request for the purposes of implementing or effectuating the provisions of the Related Documents to which the County or the Authority is a party or for the purpose of more fully perfecting or renewing the rights of the Purchaser with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the County or the Authority which may be deemed to be a part thereof). Upon the exercise by the Purchaser of any power, right, privilege or remedy pursuant to the Related Documents to which the County or the Authority is a party which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the County and the Authority will, to the fullest extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Purchaser may be required to obtain for such governmental consent, approval, registration, qualification or authorization. At any time, and from time to time, upon request by the Purchaser, the County and the Authority will, at the County's expense, correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents to which the County or the Authority is a party or protect the Purchaser's interests, security, rights and remedies with respect to the Revenues and Additional Payments or its security under the Trust Agreement or hereunder. At all times, the County and the Authority will defend, preserve and protect the pledge of certain funds pursuant to the Trust Agreement and all the rights of the Purchaser hereunder and under the Trust Agreement against all claims and demands of all Persons whosoever.

- Section 6.11. No Impairment. Neither the County nor the Authority will take any action, or cause the Trustee to take any action, under the Trust Agreement or any other Related Document which would materially and adversely affect the rights, interests, remedies or security of the Purchaser under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect.
- Section 6.12. Application of Bond Proceeds. Neither the County nor the Authority will take or omit to take any action, which action or omission will in any way result in the proceeds from the issuance of the Bonds being applied in a manner other than as provided in the Trust Agreement.
- Section 6.13. Trustee. Neither the County nor the Authority will, without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld) remove, or seek to remove, the Trustee. The County and the Authority shall at all times maintain a Trustee pursuant to the terms of the Trust Agreement that is acceptable to the Purchaser.
- Section 6.14. Limitation on Voluntary Liens. Neither the Authority nor the County shall create a pledge, lien or charge on any part of the Facilities provided by the Trust Agreement other than the lien in favor of holders of the Bonds. The County and the Authority covenant (i) to keep the Facilities and all parts thereof free from Liens other than Permitted Encumbrances; and (ii) promptly, upon request of the Purchaser, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Facilities or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.
- Section 6.15. Related Documents. Neither the County nor the Authority will amend or modify, or permit to be amended or modified in any manner whatsoever any Related Document in a manner which would materially and adversely affect the County's or the Authority's ability to repay Debt or which materially and adversely affects the security for the Bonds or the other Obligations or the County's or the Authority's ability to repay when due the Bonds or the other Obligations or the interests, security, rights or remedies of the Purchaser without the prior written consent of the Purchaser.
- Section 6.16. Lease Payments. The County and the Authority will not issue or authorize the issuance of any obligation payable from the Lease Payments due under the Facilities Lease other than the Bonds.
- Section 6.17. Redemptions. (a) The County shall provide thirty (30) days written notice to the Purchaser prior to the date of any proposed optional redemption or purchase in lieu of redemption of Bonds pursuant to the Trust Agreement.
- (b) The County shall cause the Bonds to be redeemed pursuant to Section 2.02(a) of the Trust Agreement in the principal amounts and by the dates specified in Schedule 6.17(b) hereto.
- Section 6.18. Disclosure to Participants, Purchaser Transferees and Non-Purchaser Transferees. The County and the Authority shall permit the Purchaser to disclose the financial

information received by it pursuant to this Agreement to each participant, Purchaser Transferee and Non-Purchaser Transferee pursuant to Section 9.13 of this Agreement, subject to confidentiality restrictions and use restrictions customary for financial institutions.

Section 6.19. Other Agreements. In the event that the County and/or the Authority has or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement (or amendment thereto) provides the Person party thereto with different or more restrictive covenants, additional or different events of default and/or greater rights and remedies (excluding such greater rights or remedies that by their nature are inapplicable to continuing covenant agreements or similar facilities entered into in connection with direct purchase transactions) than are provided to the Purchaser in this Agreement (all such different or more restrictive covenants, additional and different events of default and/or greater rights or remedies are referred to herein as "Additional Rights"), then, upon the occurrence of an event of default or an event or condition that with the giving of notice or lapse of time or both would become an event of default or if the County and/or the Authority shall engage in any discussions with a creditor under a Bank Agreement in anticipation of such event of default or event or condition occurring (each such event referred to herein as a "Potential Default/Event of Default") caused by such Additional Rights, such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Purchaser shall have the benefits of such Additional Rights so long as such Additional Rights remain in effect; provided, however, that such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Additional Rights only from and after the occurrence of any such Potential Default/Event of Default under the related Bank Agreement caused by the Additional Rights or a failure by the County and/or the Authority to comply with such Additional Rights. The County and/or the Authority, as applicable, shall promptly, upon the occurrence of Potential Default/Event of Default under the related Bank Agreement caused by such Additional Rights or a failure by the County and/or the Authority to comply with such Additional Rights, give notice thereof to the Purchaser, and enter into an amendment to this Agreement to include such Additional Rights, provided that the Purchaser shall maintain the benefit of such Additional Rights regardless of whether this Agreement is amended only so long as such Additional Rights remain in effect.

Section 6.20. Immunity from Jurisdiction. To the fullest extent permitted by applicable law, with respect to its obligations arising under this Agreement or any other Related Document, each of the County and the Authority irrevocably agrees that it will not assert or claim any immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or (iii) execution or enforcement of any judgment to which it or its revenues might otherwise be entitled in any such action, suit or other proceeding, and each of the County and the Authority hereby irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and the Revenues and Additional Payments (irrespective of their use or intended use), all such immunity.

Section 6.21. Swap Contracts. Without the prior written consent of the Purchaser, neither the County nor the Authority will enter into any Swap Contract relating to Debt (i) wherein any

termination payments thereunder are senior in priority of payment to the payment of the Bonds or the other Obligations or (ii) which requires the County or the Authority, as applicable, to post cash collateral to secure its obligations thereunder.

- Section 6.22. Budget and Appropriation. To the fullest extent permitted and/or required by State law, the County shall cause the appropriate County official(s) to take any and all ministerial actions that may be necessary to facilitate the payment of the principal of and interest on the Bonds and the payment of all other Obligations. Subject to the Facilities Lease, the County agrees to include all Lease Payments due under the Facilities Lease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Lease Payments, including, without limitation, upon acceleration of the Obligations pursuant to Section 7.02 hereof. The covenants on the part of the County herein contained and in the Facilities Lease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants and agreements.
- Section 6.23. Use of Purchaser's Name. (a) Except as may be required by Law (including, but limited to, federal and state securities Laws), the neither the County nor the Authority shall use any financial information of the Purchaser's or the Purchaser's long or short-term debt ratings in any published materials without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld).
- (b) The County and the Authority agree that they shall not post any of the Related Documents or any amendment hereto or thereto on EMMA or any other website until the Purchaser or its counsel has provided redacted versions thereof or such amendment, as applicable, to the County and the Authority for posting thereon.
- Section 6.24. Maintenance of Tax-Exempt Status of Bonds. Neither the County nor the Authority shall take any action or omit to take any action which, if taken or omitted, could result in a Determination of Taxability.
- Section 6.25. ERISA. The County and the Authority shall not be, and shall not permit a member of the Controlled Group to be, subject to ERISA and shall not maintain, nor permit a member of the Controlled Group to maintain, a Plan. The County and the Authority and each employee benefit plan shall remain in compliance in all material respects with the terms of any such plan and applicable law related thereto, except to the extent that a failure to do so could reasonably be expected to result in a Material Adverse Effect.
- Section 6.26. Investment Policy. All investments of the County have been and will be made in accordance with the terms of the Investment Policy.
- Section 6.27. Environmental Laws. The County and the Authority shall (x) comply with all applicable Environmental Laws and cure any defect thereto (or cause other Persons to effect any such cure) to the extent necessary to bring any of the Facilities back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority

having jurisdiction thereover and (y) take all reasonable action to prevent any material adverse effect on or reduction of the fair market rental value of any of the Facilities or any other Material Adverse Effect to occur as a result of the Authority's or the County's operation of any of the Facilities. The County and the Authority shall at all times use commercially reasonable efforts to render or maintain each of the Facilities safe and fit for their respective intended uses. The County and the Authority shall also immediately notify the Purchaser of any actual or alleged material failure to so comply with or perform, or any material breach, violation or default under any Environmental Law with respect to any of the Facilities.

- Section 6.28. Federal Reserve Board Regulations. The County shall not use any portion of the proceeds of the Purchase Price of the Bonds for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the County out of such proceeds.
- Section 6.29. Underlying Rating. The County shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least two Rating Agencies. The County covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.
- Section 6.30. Repayment of Purchaser and other Bondholders. (a) If at any time any amount is owing on the Bonds or any other amount is owing to the Purchaser and the other Bondholders hereunder, and the County and the Authority are unable, or reasonably foresee that they will be unable, to increase Lease Payments in an amount sufficient to pay the Purchaser, the staff of the County and the Authority shall use their respective best efforts to either: (i) provide for the substitution of new real property for one or more of the Facilities, such new real property to have a fair rental value sufficient to support Lease Payments sufficient to pay the amounts owing on the Bonds and all other Obligations owing to the Purchaser and the other Bondholders hereunder, (ii) support the issuance of bonds or other certificates of participation sufficient in value to pay the debt service on the Bonds and pay all other Obligations owing to the Purchaser and the other Bondholders hereunder or (iii) request an appropriation, from the County's General Fund of legally available funds in an amount sufficient to pay all debt service on the Bonds and to pay all other Obligations owing to the Purchaser and the other Bondholders hereunder.
- (b) Upon receipt of notice from the Purchaser of the acceleration of the Obligations pursuant to Section 7.02 hereof, the Authority shall increase the Lease Payments under the Facilities Lease in each Rental Payment Period to the Maximum Annual Rent.
- (c) The County and the Authority agree to extend the term of the Site Lease and/or the Facilities Lease in accordance with Section 2 thereof and Section 2.02 thereof, respectively, if on the stated expiration thereof, any amounts remain owing on the Bonds or hereunder.
- Section 6.31. Disaster Relief. If any of the Facilities are damaged by an earthquake, or other disaster or emergency is declared by a local government, the Governor of the State of California, or the President of the United States, the Office of Emergency Services, the Federal

Emergency Management Agency, or other similar agency, the County and/or the Authority, as applicable, shall apply for federal, state and local disaster relief funds in the maximum amount permitted under federal, state and local law, respectively, and apply all such designated funds received as required under the Facilities Lease.

- Section 6.32. Voluntary Rent Abatement. Except as permitted by State law and the terms of the Facilities Lease, the County shall not seek or assert a claim for abatement of rental payments under the Facilities Lease.
- Section 6.33. Operation and Maintenance of the Facilities. To the extent funds are legally available, the County shall maintain and preserve each of the Facilities and all buildings, facilities and equipment constituting any part of the Facilities with respect to facilities of like size and character. The County shall not abandon or vacate any of the Facilities, except as permitted by the Facilities Lease. The County shall from time to time make all necessary and proper repairs, renewals and replacements to each of the Facilities, consistent with the protection of the Purchaser. If any event shall occur such that abatement is authorized under the Facilities Lease, the [Executive Director] of the Authority and the [\_\_\_\_\_\_] of the County shall use their best efforts to bring forward at the earliest possible date a plan to mitigate any such abatement for consideration of the Authority Board and the County Council, respectively.
- Section 6.34. Compliance with Laws; Taxes and Assessments. The County and the Authority will not violate any laws, rules, regulations or governmental orders to which it is subject, which violation involves a reasonable likelihood of materially and adversely affecting its financial condition, business or results of operations.
- Section 6.35. Fair Rental Value. In the event that fair rental value of the Facilities is not sufficient to make the Lease Payments and/or Additional Payments required pursuant to this Agreement and the Trust Agreement, such unpaid Lease Payments and/or Additional Payments shall be deferred until such time as the fair rental value of the Facilities will support payment of such unpaid Lease Payments and/or Additional Payments.
- Section 6.36. Substitution or Removal of Property; Sale and Transfers. (a) The County and the Authority will not substitute or remove (other than pursuant to Section 2.02 or Section 2.03 of the Facilities Lease) or cause the substitution or removal (other than pursuant to Section 2.02 or Section 2.03 of the Facilities Lease) of any portion of the Facilities subject to the leasehold under the Facilities Lease without the prior written consent of the Purchaser (such consent to not be unreasonably withheld or delayed), and otherwise satisfying the conditions precedent to such substitution or removal set forth in Section 2.02 or Section 2.03 of the Facilities Lease, as applicable.
- (b) The County and the Authority will not transfer, sell, lease, convey or otherwise dispose of, any interest in the Facilities, except for those permitted by the terms of the Related Documents.

### ARTICLE VII

### **EVENTS OF DEFAULT**

- Section 7.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an "Event of Default" hereunder, unless waived in writing by Purchaser:
  - (a) the Authority shall fail to pay the principal of or interest on any Bond when due:
  - (b) the County or the Authority shall fail to pay any Obligation (other than the Authority's obligation to pay the principal of or interest on the Bonds) and such failure shall continue for three (3) Business Days;
  - (c) any representation or warranty made by or on behalf of the County or the Authority in this Agreement or in any other Related Document or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;
  - (d) the County or the Authority, as applicable, shall default in the due performance or observance of any of the covenants set forth in Section 6.01, 6.11, 6.15, 6.16, 6.20, 6.21, 6.22, 6.28, 6.29, 6.32 or 6.36 hereof;
  - (e) the County or the Authority, as applicable, shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the earlier to occur of the date on which (i) the County or the Authority has actual knowledge of such default or (ii) the Purchaser provides notice to the County or the Authority of such default; *provided*, *however*, that if such default can be cured by the County or the Authority within a reasonable time period and so long as the County or the Authority is proceeding diligently within such thirty (30) days to remedy such default, such curative period shall be extended up to an an additional thirty (30) days so as to permit such default to be cured;
  - (f) the County or the Authority shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading

denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

- (g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the County or the Authority or any substantial part of its Property, or a proceeding described in Section 7.01(f)(v) shall be instituted against the County or the Authority and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;
- (h) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the County or the Authority by the County or the Authority or any Governmental Authority with appropriate jurisdiction;
- (i) (i) any provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds or (B) the validity or enforceability of the pledge of the Revenues or any other pledge or security interest created by the Trust Agreement shall at any time for any reason cease to be valid and binding on the County or the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;
- (ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Bonds or any Parity Debt, or (B) the validity or enforceability of the pledge of the Revenues or any other pledge or security interest created by the Trust Agreement shall be publicly contested by the [identify appropriate County officials] of the County or the [identify appropriate Authority officials] of the Authority; or
- (iii) any other material provision of this Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the County or the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the County or the Authority;
  - (j) dissolution or termination of the existence of the County or the Authority;
- (k) the County or the Authority, as applicable, shall (i) default on the payment of the principal of or interest on any Cross-Default Parity Debt beyond the period of grace, if any, provided in the instrument or agreement under which such Cross-Default Parity Debt was created or incurred; or (ii) default in the observance or performance of

any agreement or condition relating to any Cross-Default Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto beyond the period of grace, if any, provided in the instrument or agreement under which such Cross-Default Parity Debt was created or incurred, provided that the County or the Authority shall have actual knowledge of such default, the effect of which default is to cause or permit to cause (determined without regard to whether any notice is required) any such Cross-Default Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Cross-Default Parity Debt;

- (1) the County or the Authority, as applicable, shall (i) default on the payment of the principal of or interest on any Parity Debt (excluding any Cross-Default Parity Debt) issued in an original principal amount of \$25,000,000 or more beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt (excluding any Cross-Default Parity Debt) issued in an original principal amount of \$25,000,000 or more or contained in any instrument or agreement evidencing, securing or relating thereto beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred, provided that the County or the Authority shall have actual knowledge of such default, the effect of which default is to cause or permit to cause (determined without regard to whether any notice is required) any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;
- (m) any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Purchaser, in an aggregate amount not less than \$25,000,000 shall be entered or filed against the County or the Authority or against any of their Property and remain unpaid pursuant to the terms of the applicable judgment, unvacated, unbonded or unstayed for a period of ninety (90) days;
- (n) any "event of default" under any Related Document (as defined respectively therein) shall have occurred; or
- (o) any of Fitch, Moody's or S&P shall have downgraded its rating of any long-term unenhanced Parity Debt to below "BBB+" (or its equivalent), "Baa1" (or its equivalent), or "BBB+" (or its equivalent) respectively, or suspended or withdrawn its rating of the same.

- Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):
  - (a) by written notice to the Trustee, the County and the Authority, declare the outstanding amount of the Obligations under this Agreement (including, without limitation, the Bonds but solely in accordance with Section 7.02(b) hereof) to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;
  - (b) deliver a written notice to the Trustee, the County and the Authority that an Event of Default has occurred and is continuing and direct the Trustee, the County and the Authority, as applicable, to cause an acceleration of the Bonds or take such other remedial action as is provided for in the Trust Agreement); *provided*, *however*, that from and after the occurrence of an Event of Default, the outstanding Bonds shall be paid or caused to be paid by the Authority in each year in an amount equal to the Maximum Annual Rent for the related Rental Payment Period less any other amounts paid hereunder or under the Trust Agreement in accordance with the terms hereof and thereof; provided further, however, that payments of Base Rental under the Facilities Lease shall not be accelerated;
  - (c) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the County and/or the Authority under the Related Documents, whether for specific performance of any agreement or covenant of the County or in aid of the execution of any power granted to the Purchaser in the Related Documents:
  - (d) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Purchaser shall have no obligation to effect such a cure; and
  - (e) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in Section 7.02(b) hereof) and as otherwise available at law and at equity;

provided, however, that notwithstanding any acceleration of the Bonds, the Purchaser, the Authority and the County acknowledge that Lease Payments may not be accelerated under the Facilties Lease.

Section 7.03. Remedies Cumulative; Solely for the Benefit of Purchaser. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every

right, power and remedy herein specifically given to the Purchaser in the Related Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Purchaser, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Purchaser specified herein are for the sole and exclusive benefit, use and protection of the Purchaser, and the Purchaser is entitled, but shall have no duty or obligation to the County, the Authority, the Trustee or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Purchaser hereunder or under any of the other Related Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Purchaser shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Purchaser shall have the unqualified right so to do and, in such event, the County, the Authority and the Purchaser shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser hereunder shall continue as if the same had never been invoked.

# **ARTICLE VIII**

#### INDEMNIFICATION

Section 8.01. Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the County and the Authority hereby agree (to the extent permitted by law), as Additional Payments, to indemnify and hold harmless the Purchaser and each other Bondholder and its officers, directors and agents (each, an "Indemnitee") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the "Liabilities") by reason of or in connection with (a) the execution and delivery or transfer of, or payment or failure to pay under, any Related Document; (b) the issuance and sale of the Bonds; and (c) the use of the proceeds of the Bonds; provided that neither the County nor the Authority shall be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused

by the willful misconduct or gross negligence of such Indemnitee. Nothing under this Section 8.01 is intended to limit the County's and Authority's payment of the Obligations.

Section 8.02. Survival. The obligations of the County and the Authority under this Article VIII shall survive the payment of the Bonds and the termination of this Agreement.

### ARTICLE IX

### **MISCELLANEOUS**

Section 9.01. Patriot Act Notice; Government Regulations. (a) The Purchaser hereby notifies the County and the Authority that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the County and the Authority, which information includes the name and address of the County and the Authority and other information that will allow the Purchaser to identify the County and the Authority in accordance with the Patriot Act. Each of the County and the Authority hereby agrees that it shall promptly provide such information upon request by the Purchaser.

(b) The County and the Authority each hereby represents and warrants and covenants and agrees (i) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC or the Department of the Treasury or included in any executive orders, that prohibits or limits the Purchaser from making any advance or extension of credit to the County or the Authority or from otherwise conducting business with the County or the Authority and (ii) to ensure that the proceeds of the extensions of credit hereunder shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 9.02. Further Assurances. From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the County and/or the Authority, as applicable, will, at its respective expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of the Trust Agreement. Upon any failure by the County or the Authority to do so, the Purchaser or the Trustee may make, execute and record any and all such instruments, certificates and other documents for and in the name of the County and/or the Authority, as applicable, all at the sole expense of the County or the Authority, as applicable, and the County and the Authority hereby appoint the Purchaser and the Trustee the agent and attorney-in-fact of the County and the Authority to do so, this appointment being coupled with an interest and being irrevocable. In addition, at any time, and from time to time, upon request by the Purchaser or the Trustee, the County and/or the Authority, as applicable,

will, at its respective expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser or the Trustee, be necessary or desirable in order to verify the County's and the Authority's identity and background in a manner satisfactory to the Purchaser or the Trustee, as the case may be.

Section 9.03. Amendments and Waivers; Enforcement. The Purchaser, the County and the Authority may from time to time enter into agreements amending, modifying or supplementing this Agreement or the other Related Documents or changing the rights of the Purchaser or the County hereunder or thereunder, and the Purchaser may from time to time grant waivers or consents to a departure from the due performance of the obligations of the County hereunder or thereunder. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 9.04. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Purchaser in exercising any right, power or privilege under this Agreement or the other Related Documents shall affect any other or future exercise thereof or exercise of any right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Purchaser under this Agreement are cumulative and not exclusive of any rights or remedies which the Purchaser would otherwise have under any Related Document, at law or in equity.

Section 9.05. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

The Authority: County of Contra Costa Public Financing

Authority

c/o County Administrator's Office

County of Contra Costa

County Administration Building 651 Pine Street, 10th Floor

Martinez, California 94553

Facsimile: (925) 646-1353 Telephone: (925) 335-1080 The County: County of Contra Costa

County Administration Building 651 Pine Street, 10th Floor Martinez, California 94553

Attention: Clerk of Board of Supervisors

Facsimile: (925) 646-1353 Telephone: (925) 335-1080

The Purchaser: Wells Fargo Bank, National Association

100 West Washington Street, 20th Floor

Phoenix, Arizona 85003 Attention: Bradley Schroeder Facsimile: (877) 302-2804 Telephone: (602) 378-5755

with a copy to:

Wells Fargo Municipal Capital Strategies, LLC

\_\_\_\_

Attention: Readie Callahan

Facsimile: Telephone:

The Trustee: Wells Fargo Bank, National Association

1700 Lincoln Street, 10th Floor

Denver, Colorado 80203

Attention: Corporate Trust Services

Facsimile: ( ) [\_\_\_\_\_]
Telephone: (415) 371-2651

The Purchaser may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

Section 9.06. Right of Setoff. (a) Upon the occurrence of an Event of Default, the Purchaser or any other Bondholder may, at any time and from time to time, without notice to the County or any other person (any such notice being expressly waived), set off and appropriate and apply against and on account of any Obligations under this Agreement, without regard to whether or not the Purchaser or such Bondholder shall have made any demand therefor, and although such Obligations may be contingent or unmatured, any and all deposits (general or special, including but not limited to deposits made pursuant to this Agreement and Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust

accounts, such as restricted donor accounts) and any other Debt at any time held or owing by such Bondholder to or for the credit or the account of any or all of the County

(b) Each Bondholder agrees promptly to notify the County after any such set-off and application referred to in subsection (a) above, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (a) above, the rights of a Bondholder under this Section 9.06 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Bondholder may have.

Section 9.07. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Bondholders any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 9.08. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 9.09. Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial. (a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of California without giving effect to conflicts of law provisions.

- (b) EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE OF CALIFORNIA AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE OF CALIFORNIA. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE OF CALIFORNIA AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT. REGARDLESS OF WHETHER THE PARTY'S ACTIONS TOOK PLACE IN THE STATE OF CALIFORNIA OR ELSEWHERE IN THE UNITED STATES, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION.
- (c) To the extent permitted by applicable Laws, each of the parties hereto hereby waives its right to a jury trial of any claim or cause of action based upon or arising out of this Agreement, the Related Documents or any of the transactions contemplated hereby or thereby, including contract claims, tort claims, breach of duty claims, and all other common law or statutory claims. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, each of the parties hereto hereby consents to the adjudication of all claims pursuant to judicial reference as provided in California Code of Civil

PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

- (d) The covenants and waivers made pursuant to this Section 9.09 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.
- Section 9.10. Prior Understandings. This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.
- Section 9.11. Duration. All representations and warranties of the County and the Authority contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other Related Documents. All covenants and agreements of the County and the Authority contained herein shall continue in full force and effect from and after the date hereof until the Obligations have been fully discharged.
- Section 9.12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

# Section 9.13. Successors and Assigns.

(a) Successors and Assigns Generally. This Agreement is a continuing obligation and shall be binding upon the County and the Authority, their successors, transferees and assigns and shall inure to the benefit of the Bondholders and their respective permitted successors, transferees and assigns. Neither the County nor the Authority may assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of the Purchaser. Each Bondholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Bonds and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Bondholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Bondholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Wells Fargo Bank, National Association shall be the Purchaser hereunder until such time as the Majority Bondholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the County, the Authority and the Trustee and such

Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Bondholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the County, the Authority and the Trustee, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Wells Fargo Bank, National Association or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

- (b) Sales and Transfers by Bondholder to a Purchaser Transferee. Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Bonds to a Person that is (i) a Purchaser Affiliate or (ii) a trust or other custodial arrangement established by the Purchaser or a Purchaser Affiliate, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the 1933 Act (each, a "Purchaser Transferee"). From and after the date of such sale or transfer, Wells Fargo Bank, National Association (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Related Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the County, the Authority and the Trustee shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the County and the Authority.
- (c) Sales and Transfers by Bondholder to a Non-Purchaser Transferee. Without limitation of the foregoing generality, a Bondholder may at any time sell or otherwise transfer to one or more transferees which are not Purchaser Transferees but each of which constitutes a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act (each a "Non-Purchaser Transferee") all or a portion of the Bonds if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Purchaser Transferee, together with addresses and related information with respect to the Non-Purchaser Transferee, shall have been given to the County, the Authority, the Trustee and the Purchaser (if different than the Bondholder) by such selling Bondholder and Non-Purchaser Transferee, and (B) the Non-Purchaser Transferee shall have delivered to the County, the Authority, the Trustee and the selling Bondholder, an investment letter in substantially the form delivered by the Purchaser on the Effective Date (the "Investor Letter").

From and after the date the County, the Authority, the Trustee and the selling Bondholder have received written notice and an executed Investor Letter, (A) the Non-Purchaser Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Bondholder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Purchaser Transferee, and any reference to the assigning Bondholder hereunder and under the other Related Documents shall thereafter refer to such transferring Bondholder and to the Non-Purchaser Transferee to the extent of their respective interests, and (B) if the transferring

Bondholder no longer owns any Bonds, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

- (d) *Participations*. The Purchaser shall have the right to grant participations in all or a portion of the Purchaser's interest in the Bonds, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the County, the Authority and the Trustee shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Bonds and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the County or the Authority, as applicable.
- (e) Certain Pledges. The Purchaser may at any time pledge or grant a security interest in all or any portion of its rights under the Bonds, this Agreement and the Related Documents to secure obligations of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 9.14. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any Related Document), the County and the Authority acknowledge and agree that: (a)(i) any arranging, structuring and other services regarding this Agreement and the Related Documents provided by the Purchaser or any Affiliate of the Purchaser are arm's length commercial transactions between the County and/or the Authority on the one hand, and the Purchaser and any Affiliate of the Purchaser on the other hand, (ii) the County and the Authority have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the County and the Authority are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated by this Agreement and the Related Documents; (b)(i) the Purchaser and each Affiliate of the Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the County, the Authority or any other Person and (ii) neither the Purchaser nor any Affiliate of the Purchaser has any obligation to the County or the Authority with respect to the transactions contemplated by this Agreement and the Related Documents, except those obligations expressly set forth herein; and (c) the Purchaser and each Affiliate of the Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the County and/or the Authority, and neither the Purchaser nor any Affiliate of the Purchaser has any obligation to disclose any of such interests to the County or the Authority. To the fullest extent permitted by Applicable Laws, the County and the Authority hereby waive and release any claims that they may have against the Purchaser and each Affiliate of the Purchaser with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Agreement and the Related Documents.

Section 9.15. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.16. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records For purposes hereof, "electronic signature" means a exception to the hearsay rule. manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:
Name:
Title:
COUNTY OF CONTRA COSTA
n.
By:
Name:
Title:
COUNTY OF CONTRA COSTA PUBLIC FINANCING
AUTHORITY
_
By:
Name:
Title:

### EXHIBIT A

### FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate (this "Certificate") is furnished to Wells Fargo Bank, National Association (the "Purchaser") pursuant to the Continuing Covenant Agreement dated as of March 1, 2017 (the "Agreement"), among the County of Contra Costa (the "County"), the County of Contra Costa Financing Authority and Purchaser. Unless otherwise defined herein, the terms used in this Certificate shall have the meanings assigned thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

- 1. I am the duly elected [chief financial officer] of the County;
- 2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the County during the accounting period covered by the attached financial statements;
- 3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; [and]
- 4. The financial statements required by Section 6.05 of the Agreement and being furnished to you concurrently with this certificate fairly represent the consolidated financial condition of the County in accordance with GAAP as of the dates and for the periods covered thereby.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature
of the condition or event, the period during which it has existed and the action which the County
has taken, is taking, or proposes to take with respect to each such condition or event:

 	 	_
 	 	_

The foregoing certifications and the fire		
support hereof, are made and delivered this	day of	, 20
	COUNTY OF CONTRA CO	OSTA
	•	
	Name:	
	Title:	

#### EXHIBIT B

Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as follows:

"Break Date" means any date that an optional redemption is made.

"Break Event" means any optional redemption.

"Calculation Agent" will be Wells Fargo Bank, National Association. If for any reason Wells Fargo Bank, National Association is unable or unwilling to calculate the Breakage Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the County with the consent of the Purchaser.

"Day Count Fraction" is the anticipated basis on which interest at the Fixed Rate is to be computed on each of the Bonds. The Day Count Fraction utilizes a 360-day year and consisting of twelve 30-day months.

"Reference Rate" means the [Reference Rate%].

"Scheduled Due Date" means each date specified on the Amortization Schedule attached as Schedule I hereto.

"Schedule of Principal Amount" is the anticipated principal amount of the Bonds scheduled to be outstanding on the date the Bond is funded and on the Scheduled Due Date. The Schedule of Principal Amounts for the Scheduled Due Dates is specified on the Amortization Schedule attached as Schedule I hereto.

1. In connection with any Break Event, a Breakage Fee shall be paid by the County if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding any Break Date and will be calculated for the Bonds as follows:

"Breakage Fee" for any Break Event is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

- (1) the "Calculation Agent" computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from the Scheduled Due Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;
- (2) the "Affected Principal Amount" for an Affected Principal Period is the principal amount of the Bonds reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;
- (3) "Affected Principal Period" is each period from and including a Scheduled Due Date to but excluding the next succeeding Scheduled Due Date; provided, however, if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;
- (4) "Prepayment Fraction" means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Bond and the Trust Agreement to reduce the amount of the prepayment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and
- (5) "Break Rate" means, for any Break Date, and with respect to each Bond, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a semi-annual basis in return for receiving one-month LIBOR-based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date for such Bond;

2. The Calculation Agent shall determine the Breakage Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent's determination shall be conclusive and binding in the absence of manifest error.

# SCHEDULE I

# AMORTIZATION SCHEDULE

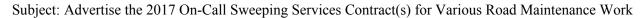
Scheduled Date

**Schedule of Principal Amounts** 

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017





Contra Costa County

# **RECOMMENDATION(S):**

AUTHORIZE the Public Works Director, or designee, to advertise for the 2017 on-call sweeping services Contract(s) for Various Road Maintenance Work, Contract No. 0672-6U2301-17, for routine maintenance of existing road pavement, Countywide.

# **FISCAL IMPACT:**

100% Local Road Funds.

# **BACKGROUND:**

The Public Works Department will use the 2017 On-Call Sweeping Services Contract(s) for Various Road Maintenance Work to provide supplemental sweeping services, as needed, to Public Works maintenance crews for various routine road maintenance repairs in various locations within Contra Costa County. The Public Works Department intends to award at least one \$200,000 contract, but not more than four \$200,000 contracts, to the responsible bidder(s). Each contract will have a term of one-year with the option of two one-year extensions, and used as needed with no minimum amount that has to be spent.

# **CONSEQUENCE OF NEGATIVE ACTION:**

Where sweeping services are required, the Public Works Department may be unable to complete routine road maintenance work in a timely manner.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Jerome Gonsalvez, 925-313-7006	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
cc:	

To: **Board of Supervisors** 

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017





Contra Costa County

# **RECOMMENDATION(S):**

AUTHORIZE the Public Works Director, or designee, to advertise for the 2017 on-call grinding services Contract(s) for Various Road Maintenance Work, Contract No. 0672-6U2123-17, for routine maintenance and repair of existing road pavement, Countywide.

# **FISCAL IMPACT:**

100% Local Road Funds.

# **BACKGROUND:**

The Public Works Department will use the 2017 on-call Grinding Services Contract(s) for Various Road Maintenance Work to provide support, as needed, to Public Works maintenance crews for the removal of damaged asphalt concrete in support of pavement maintenance operations in various locations within Contra Costa County. The Public Works Department intends to award at least one \$200,000 contract, but not more than two \$200,000 contracts, to the responsible bidder(s). Each contract will have a term of one-year with the option of two one-year extensions, and used as needed with no minimum amount that has to be spent.

# **CONSEQUENCE OF NEGATIVE ACTION:**

Where pavement grinding services are required, the Public Works Department may be unable to complete routine road maintenance work in a timely manner.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CNT	Y ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Jerome Gonsalvez, 925-313-7006	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

SLAL OF THE STATE OF THE STATE

Contra Costa County

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: Declare an emergency for the repair of the Alhambra Valley Road Washout. (Pinole area, Project No. 0672-6U6201)

# **RECOMMENDATION(S):**

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a tru of Supervisors on the date show	e and correct copy of an action taken and entered on the minutes of the Board vn.
	ATTESTED: February	14, 2017
Contact: Kevin Emigh (925) 313-2233	David J. Twa, County Ac	Iministrator and Clerk of the Board of Supervisors
	By: , Deputy	

cc:

# RECOMMENDATION(S): (CONT'D)

>

- 1. ADOPT Resolution No. 2017/62 finding and declaring that an emergency exists and AUTHORIZE the Public Works Director to proceed in the most expeditious manner with the Alhambra Valley Road Washout Repair Project, Pinole area. (District 1)
- 2. FIND, based on the evidence set forth below, pursuant to Public Contract Code Section 22035 and 22050, that an emergency exists, that the emergency will not permit a delay resulting from the normal procedures for solicitation of bids and contract award, and the action described in this order is necessary to respond to the emergency.
- 3. DELEGATE to the Public Works Director the authority to proceed in the most expeditious manner to repair the Alhambra Valley Road washout at Pinole Creek in the Pinole area.
- 4. DIRECT the Public Works Director to make periodic reports to the Board of Supervisors, as required by the Public Contract Code 22050, to enable the Board of Supervisors to review the emergency action and to determine whether there is a need to continue the emergency action.
- 5. WAIVE the County's Outreach Program requirements for contracts, equipment, services, and supplies procured for the above project.
- 6. DETERMINE that the project is exempt from the California Environmental Quality Act (CEQA) under Section 15269 of the State CEQA Guidelines.
- 7. DIRECT the Department of Conservation and Development Director, or designee, to file a Notice of Exemption with the County Clerk.
- 8. AUTHORIZE the Public Works Director or designee to arrange for payment of a \$25 fee to the Department of Conservation and Development for processing the Notice of Exemption, and a \$50 fee to the County Clerk for filing the Notice of Exemption.

# FISCAL IMPACT:

The total cost of the project is unknown at this time, but is not expected to exceed \$4,000,000. The project will be funded by Local Road Funds (100%). The project may be eligible for partial or full reimbursement under the state of emergency declared by Governor Brown on January 23, 2017, to secure funding to help communities respond to and recover from severe winter storms that have caused flooding, mudslides, erosion, debris flow and damage to roads and highways.

### BACKGROUND:

In the 1930's a 9-foot diameter metal pipe culvert was installed under Alhambra Valley Road just east of Castro Ranch Road in unincorporated Contra Costa County to convey Pinole Creek flows. Over the years, the culvert experienced storm damage, including a partial washout in 1982. The creek embankment at the culvert was reinforced and repaired in the past, most recently in 1997 and then in 1998.

On or about January 10, 2017, after a heavy storm the culvert and roadway completely washed out creating a gap in Alhambra Valley Road that is the width of the road and over 60 feet in length and 20 feet deep. This washout required Alhambra Valley Road to be closed between Bear Creek Road and Castro Ranch Road.

The repair work requires removal of debris, excavation, installation of a new drainage conveyance system, backfill, construction of embankment and new pavement, new guardrail and pavement striping. If the Public Works Department were to follow its normal design and bidding process for construction projects, the resulting delays would keep the road out of service, potentially compromise public safety, and result in more extensive damage, environmental impacts, and increased repair costs.

Going forward, the Public Works Department anticipates the following tasks and timelines in order to complete the project and put the road back in service:

Perform hydraulic analysis and select new drainage conveyance system by February 28, 2017. Solicit bids from contractors and award contract by April 1, 2017 Begin emergency repairs by May 1, 2017 or sooner if conditions allow

The Alhambra Valley Road Washout Repair Project is exempt from the California Environmental Quality Act (California Public Resources Code section 21000 *et seq.*) pursuant to Section 15269 of the State CEQA Guidelines (14 California Code Regulations section 14000 *et seq.*).

A proclamation of local emergency was signed by Contra Costa County Administrator David Twa on January 19, 2017, and ratified by the Board of Supervisors in a special meeting on January 26, 2017.

### CONSEQUENCE OF NEGATIVE ACTION:

If the above recommendation is not adopted, the Public Works Director will not be authorized to execute emergency contracts to perform expedient repairs, and there will be danger to the public's safety in allowing Alhambra Valley Road to remain unrepaired. The road will remain closed adversely affecting traffic circulation. The Public will not be able to use this vital transportation link, and local residents will continue to be impaired in terms of public safety response time.

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017





# Contra Costa County

# **RECOMMENDATION(S):**

ADOPT Resolution No. 2017/42 approving the Final Map and Subdivision Agreement for subdivision SD13-09352, for a project being developed by Civic Property Group, Inc., Sole Member, Driftwood Community, LLC, as recommended by the Public Works Director, Bay Point area. (District V)

# **FISCAL IMPACT:**

No fiscal impact.

# **BACKGROUND:**

The Public Works Department has reviewed the conditions of approval for subdivision SD13-09352 and has determined that all conditions of approval for Final Map approval have been satisfied.

# CONSEQUENCE OF NEGATIVE ACTION:

The Final Map and the Subdivision Agreement will not be approved and recorded.

cc: Sherri Reed, Design&Construction, Francisco Avila, DCD, Denova Homes, First American

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Jocelyn LaRocque, 925-313-2315	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

# **ATTACHMENTS**

Resolution No. 2017/42

Final Map

SD13-9352 Subdivision Agreement

SD13-9352 Improvement Security Bond for Subdivision

Agreement

Tax Letter

Tax Bond

## THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	N SEAL
NO:	
ABSENT:	a s
ABSTAIN:	
<b>RECUSE:</b>	314 COUNTY

Resolution No. 2017/42

IN THE MATTER OF approving the Final Map and Subdivision Agreement for subdivision SD13-09352, for a project being developed by Civic Property Group, Inc., Sole Member, Driftwood Community, LLC, as recommended by the Public Works Director, Bay Point area. (District V)

WHERE AS, the following documents were presented for board approval this date:

I. Map

The Final Map of subdivision SD13-09352, property located in the Bay Point area, Supervisoral District V, said map having been certified by the proper officials.

II. Subdivision Agreement

A subdivision agreement with Civic Property Group, Inc., Sole Member, Driftwood Community, LLC, principal, whereby agrees to complete all improvements as required in said subdivision agreement within 2 years from the date of said agreement. Accompanying said subdivision agreement is security guaranteeing completion of said improvements as follows:

A. Cash Bond Performance amount: \$18,000 Auditor's Deposit Permit No. 729170 Date:January 31, 2017 Submitted by: Driftwood Community, LLC

B. Surety Bond Bond Company: Developers Surety and Indemnity Company Bond Number: 651213S Date: January 12, 2017 Performance Amount: \$1,715,000 Labor & Materials Amount: \$866,500 Principal: Driftwood Community, LLC

III. Tax Letter

Letter from the County Tax Collector stating there are no unpaid County taxes heretofore levied on the property included in said map and that the 2016-2017 tax lien has been paid in full and the 2017-2018 tax lien, which became a lien on the first day of January 2017, is estimated to be \$10,700, with security guaranteeing payment of said tax lien as follows:

- Tax Surety Bond Company: Developers Surety and Indemnity Company Bond Number: 651911S Date: January 18, 2017 Amount: \$10,700 Submitted by/Principal: Driftwood Community, LLC

## NOW, THEREFORE, BE IT RESOLVED:

- 1. That said subdivision, together with the provisions for its design and improvements, is DETERMINED to be consistent with the County's general and specific plans.
- 2. That said Final Map is APPROVED and this Board does hereby accept subject to installation and acceptance of improvements on behalf of the public any of the streets, paths, or easements shown thereon as dedicated to public use.
- 3. That said subdivision agreement is also APPROVED.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

ATTESTED: February 14, 2017

Contact: Jocelyn LaRocque, 925-313-2315

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By:, Deputy

cc: Sherri Reed, Design&Construction, Francisco Avila, DCD, Denova Homes, First American

THE UNDERSIGNED, BEING THE PARTIES HOLDING A RECORD TITLE MITREST IN THE LANDS DELINEATED AND EMBRACED WITHIN THE PARTY BLACK LIMES UND YINS MAY, BO PREREY CONSENT OT THE WARNON AND RECORDANION OF THE SAME. THE FOLLOWING SELL OF SIGNALING HEIGHS, SO DESCAMED BEIGHS, SO DESCAMED HEIGHS, SO DESCAMED AND STORM BOTHS, SENGERS, PARE, SO DESCAMED HEIGHS, SO DESCAMED AND STORM BOAN FACILIES. PARELL 'N'S RESERVED FOR USE FOR PRIVATE STORM WATER OLD HEIGHS, DAN FACILIES, PARELL 'N'S RESERVED FOR USE FOR PRIVATE STORM WATER OLD HEIGHS, DAN FACILIES, PARELL 'N'S RESERVED FOR USE FOR PRIVATE STORM WATER OLD HEIGHS, DAN FACILIES, PARELL 'N'S RESERVED FOR USE FOR PRIVATE STORM WATER OLD HEIGHS, DAN FACILIES, PARELL 'N'S RESERVED FOR USE FOR PRIVATE STORM WATER OLD HEIGHS, DAN FACILIES, PARELL 'N'S STORM BE OWNED AND MANKANED BY THE UNDERSCHED, ON ITS DESCIONELY UNTIL OWNERSHIP AND MAINTENANCE RESPONSIBILITIES ARE TRANSFERRED TO THE HOLD, OR IS DESCIONELY.

AREA DESIGNATED "PEDE" (PRIVATE STORM DAJANGE ESEMENT) ARE PRIVATE STORM DIANIAGE EJERBENTS FOR CONSTRUCTION AND MAINTENANCE OF PRINTE STORM DAMI HEROVEMENTS TO BE MAINTAINED IN ACCORDANCE HEROVEMENTS, CONDITIONS AND RESTRICTIONS FOR SUBDIVISION 9592.

THE AREAS DESIGNATED "SSE" (SANTARY SEWER EASEMENT) ARE IRREPOCABLY OFFRED FOR DEDICATION TO DELIA DELIA DELICATION OF INTO DESIGNED IN GROSS, AS A NON-EXCLUSIVE SUBPLIANCE EASEMENT AND OWN-EXCLUSIVE SURVEY. EASEMENT AND OWN-EXCLUSIVE SURVEY. EASEMENT AND OWN-EXCLUSIVE SURVEY. EASEMENT AND OWN-EXCLUSIVE SURVEY. EASEMENT AND PROCESS. MAINTENANCE OF WORKS, GENERAL STRUCTION, AND BUILDING OR STRUCTURE, MAY BE PALCED ON SUB CASEMENT, MOR SHALL MATTHING BE DONE THEREON THAT MAY INTERFER WITH THE DESIRENCY SELL LANDANCH OF SURVEY. BE CASEMENT, MOR SHALL MATTHING BE DONE THEREON THE OWN THE EASEMENT OF PREASS, AND THE CONSTRUCTIONS. AND THE CONSTRUCTIONS. MAINTENANCE, ROUTING OF THE SAND THE CONSTRUCTION OF PREASS, AND THE CASEMENT SHALL MATTHING SO THE MAINTENANCE, ROUTING MESS. ECONOMICALS, RETAINING WALLS, ECCOS, AND PATOS. DISTRICT'S MAINTENANCE, ACCESSES, SURVEYED, AND THE CASEMENT AND SHALL RELAYIN IN AN EXPOSED AND ACCESSIBLE CONDITION AT ALL TIMES FOR DESIRED THE CASEMENT SHALL MATTHING SO THE CASEMENT AND SHALL REQUIRE AND OTHER USES. CONTINUED THE CASEMENT AND THE CONTINUED OF THE CASEMENT AND THAT THE CONSTRUCT SURVEY OF THE CASEMENT AND THE CASEMENT AND THAT THE DISTRICT IN THE CONSER OF THE CASEMENT AND RECURDED ON THE CASEMENT AND THAT THE DISTRICT IN THE CONSER OF THE EASEMENT AND THAT THE DISTRICT HAS NO RESPONSIBILITY OR LUBLITY FOR SUCH DAMAGE.

THE FOLLOWING REAL PROPERTY IS DEDICATED AS NON-EXCLUSIVE EASEMENTS FOR PUBLIC UTILITY PURPOSES, TOCHER WITH THE RIGHT OF INGRESS AND EGRESS FOR THE CONSTRUCTION, MANITEMANEE, LEAR DO FERDING OF, BUT OLI LIMITED TO, STORM DRAIN STSTEM, GRASSY SMALES, SANITARY SEWER, WHERS, CONDUITS, WATER MAINS OR SERVICES, GAS, MAINS, ELECRICATION, CABLE TELEVISION, TELEVISION, AND ANY AND ALL APPORTEMANCES THERETO, ON OVER AND UNDER SAID ARRASS, ALL THOSE AREAS DESIGNATED HERRIN AS "PUBLIC UTILITY EASEMENT" OR "PUE".

THE AREAS DESIGNATED "PAL" (PRIVATE ACCESS EASEMENT) ARE NON-EXCLUSIVE EASEMENTS FOR THE PUBLIC TO INGRESS PARGULES "PAL". SIDEMALIS WITHIN SAID EASEMENT ARE TO BE WANTANED BY THE HOMODIWERS ASSOCIATION, OR ITS DESIGNER IN ACCORDANCE WITH THE CELLARITON OF CONDAINTS, AND RESTRETIONS FOR SUBBUNISON 9355.

ABUTTERS RICHTS FOR VEHICULAR ACCESS ARE RELINQUISHED ON LOTS 10, 13, 20, AND 21 AS SHOWN BY THE FOLLOWING SYMBOL ON SHEETS 3 AND 4: 2/2/2/2/2/2

THIS MAP SHOWS ALL EASEMENTS ON THE PREMISES, OR OF RECORD.

owner: Driftwood Community, LLC, a california limited Liability company by: Civic Projerity "group, Inc., a california corporation, its managins member

BY: LORI J. SANSON, SECRETARY DAVID B. SANSON, PRESIDENT

Janos

# **ACKNOWLEDGMENT**

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERHES ONLY THE IDENTITY THE INDIVIDUAL WHO SIGNED THE DOCUMENT ON WHICH THIS CERTIFICATE IS ATTACHED, AND NOT INDIVIDUATES, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

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STATE OF CALIFORNIA COUNTY OF CONTRA COSTA

BEFORE ME, JESSICA MOTARS NOTARY PUBLIC, PERSONALLY APPEARED 1/12/2017

Dava B. Sandon and Loci J. Sandon, who proved to be on the basis of satisfactor expenses to be the preson(s) whose name(s) is Arrêc-Subschied to the that "Heaville statement and acknowledge to be that "Heaville Science of the same in heaville acknowled companies), and that the heavilled schaules(s) on the instrument the preson(s), or the emity upon behalf of which the preson(s), and actio. Excuted the instrument 8

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.

M-1004/04-29-10/FM 5UBD 9352/FM-01 1-12-2017.dmg

PRINT NAME OF HOTARY LESSICA MORASS MY COMMISSION EXPIRES: 12 /24 /20 19 MY COMMISSION NUMBER: 2156371 COUNTY OF PRINCIPAL PLACE OF BUSINESS: CONT'M COSTA MA SIGNATURE OF NOTARY

# SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY WE OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY. IN CONFIDANCE WITH THE REQUEST OF THE SUBDIVISION MAP ACT AND UCCOLL ORDINANCE. AT THE REQUEST OF MACHON CREEK GROUP, LLG, NA PREL 14, 2009 AND THE LAND CANDERS OF THE WAS ADDITIVED THE ASSOCIATION THAT THE WAS ADDITIVED TO SUBSTANTIALLY CONFIDENCE THAT THE WOUNDAMENTS HERROW RE OF THE CHARACTER SHOWN AND COCUPY THE POSTIONS INDICATED, OR WILL BE SET IN THOSE POSTIONS ON OR BEFORE AUGUST 28, 2017, AND WILL BE SUFFICIENT TO EMABLE THE SURVEY TO BE RETRACED.

LS 3272 BY: FELL CANUMAY L.S. 3272

DATED: 1-13-17



BAY POINT - CONTRA COSTA COUNTY - CALIFORNIA

SUBDIVISION 9352

CIVIL ENGINEERING • PLANNING • SURVEYING CONCORD, CALIFORNIA

**OCTOBER**, 2016

MERIDIAN ASSOCIATES, INC.

# GEOLOGIC REPORT NOTE

THE FOLLOWING GEOLOGIC INVESTIGATION HAS BEEN PREPARED FOR THIS SUBDIVISION AND IS KEPT ON FILE FOR PUBLIC INSPECTION IN THE CONTRA COSTA COUNTY PLANNING DEPARTMENT, MARTINEZ, CALIFORNIA:

GEOTECHNICAL INVESTIGATION REPORT PREPARED BY STEVENS, FERRONE & BAILEY;
— PROJECT NO.: 155-24, JAIED MAY 20, 2005.
— SUPPLEMAL LETTER "USE OF GEOTECHNICAL INVESTIGATION REPORT"
DATED APRIL 22, 2008

# COUNTY SURVEYOR'S STATEMENT

THIS MAP HAS BEEN EXAMINED BY ME, AND IS SUBSTANTALLY THE SAME AS IT APPLAKED ON THE TERTATIVE MAP, AND ALL PROVISIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES OCHENING THE FILING OF SUBDIVISION MAPS HAVE BEEN COMPLED WITH, AND I AM SATISFED THAT THE SAME IS TECHNICALLY CORRECT.

BY: JAMES A. STEIN COUNTY SURVEYOR PLS 6571

DEPUTY CLERK

CLERK OF THE BOARD OF SUPERVISORS
AND COUNTY ADMINISTRATOR OF
CONTRA COSTA COUNTY, STATE OF CALIFORNIA

DAVID TWA

DELTA DIABLO'S STATEMENT

# COUNTY RECORDER'S STATEMENT

THE SANITARY SEWER EASEMENTS SHOWN ON THIS MAP ARE ACCEPTED BY DELTA DIABLO, A PUBLIC CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF CALIFORNIA. EXISTINO SANITARY SEWER EASEMENTS TO REMAIN. QUITCLAIM OF EASEMENTS, IF ANY, WILL BE BY SEPARATE INSTRUMENT.

DATE: 1/17/17

THE LAW ENTILLD "SUBDIVISION 9352 – DRITHWOOD ESTATES", IS HERER ACCEPTED FOR RECORDISION, SHOWING A CLIAR THE AS PER LETTER OF THE AUGUST WON'N TO A CLIAR THE AS THE WORTH ENCLANMING THE SAME, I DEEM THAT ENCLANMING THE SAME, I DEEM THAT ENCLANMING THE SAME, I DEAL ORDINATES OPPERMINE THE FILMS THAT HEROPISSIONS OF STATE LAWS AND LOCAL DEDINATION WAS

JOSEPH E. CANCIANILLA
COUNTY RECORDER IN AND FOR THE
COUNTY OF CONTRA COSTA, STATE OF
CALIFORNA

BY: DEPUTY COUNTY RECORDER

# BUILDING INSPECTION STATEMENT

Y: 227 77 MICHAEL BAKALDIN, INTERIM GENERAL MANAGER

A GEOTICHNICAL INVESTIGATION REPORT PREPARED BY STEVENS, FERRONE AND BAILEY, DATED MAY 20, 2005 HAS BERN RECEPED AND APPROVED. THE REPORT IS ON FILE IN THE BUILDING INSPECTION DIVISION, SOATIA, 2051A COUNTY,

JASON CRAPO
DEPUTY DIRECTOR
DEPARTMENT OF CONSERVATION AND DEVELOPMENT
BUILDIN ISSECTION DIVISION

DATE

098-130-002, 098-180-030 & 098-180-027

APNS:

THAT THE ABOVE AND FORECOME MAR EMITLED "SUBDIVISION 9352 — DRETWOOD ESTAITS" WAS THAT THE ABOVE AND FORECOME MAR FORECOMES AS PROPULDED FOL LAW, A REGULAR METHER HERGEN HELD ON THE LOAN OF MAN FORECOMES AS PROPULDED FOL LAW, A REGULAR METHER HERGEN HELD ON THE LOAN OF MAN FORECOMES, AND MAY AND BOAND OF SUBERISHED WITH PASSES AND MAY AND ADDIVISION OF SUBERISH OF THE PUBLIC ALL OF THE PUBLIC ALL OF THE STREETS, ROADS, APRIVILES, OR EJESEMENTS SHOWN THEREON AS DEDICATED TO PUBLIC USE.

I. DAVID TWA, CLERK OF THE BOARD OF SUPERVISORS AND COUNTY ADMINISTRATOR, DO HEREBY CERTIFY

CLERK OF THE BOARD OF SUPERVISORS CERTIFICATE

i purther cerity that all tak lung have ben satisfied and that all bonds as required by Luwy to accompany the thith was have been approved by the board of supervisors of compan costa contray, and filed in at opfice.

IN WITNESS WHEREOF I HAVE HEREUNTO SET MY HAND THIS \_\_\_\_\_ DAY OF

DATED:

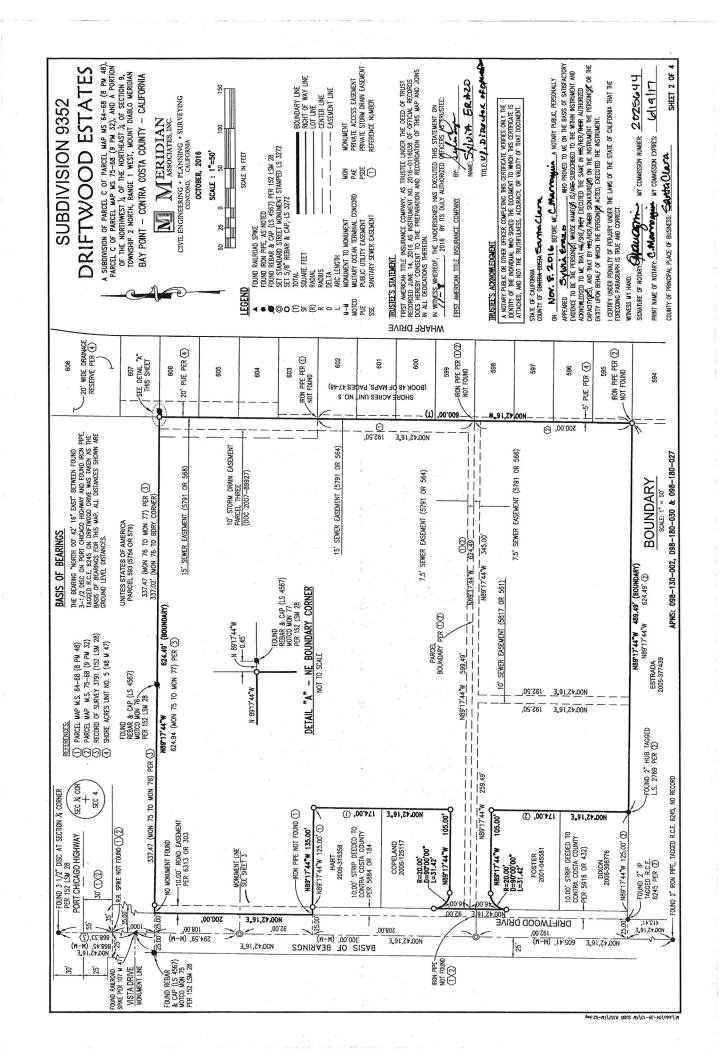
# PLANNING COMMISION'S STATEMENT

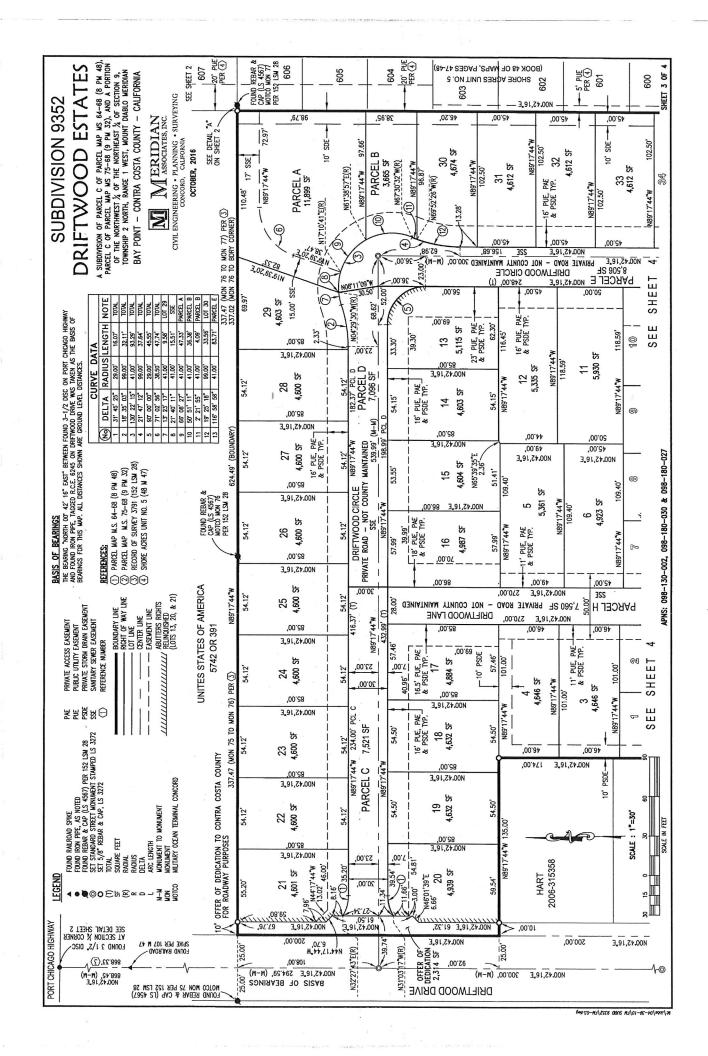
HERERY STATE THAT THE PLANNING COMMISSION OF THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, HAS APPROVED THE TENTATIVE JAP OF THIS SUBDIVISION UPON WHICH THIS FINAL JAP OF BASED.

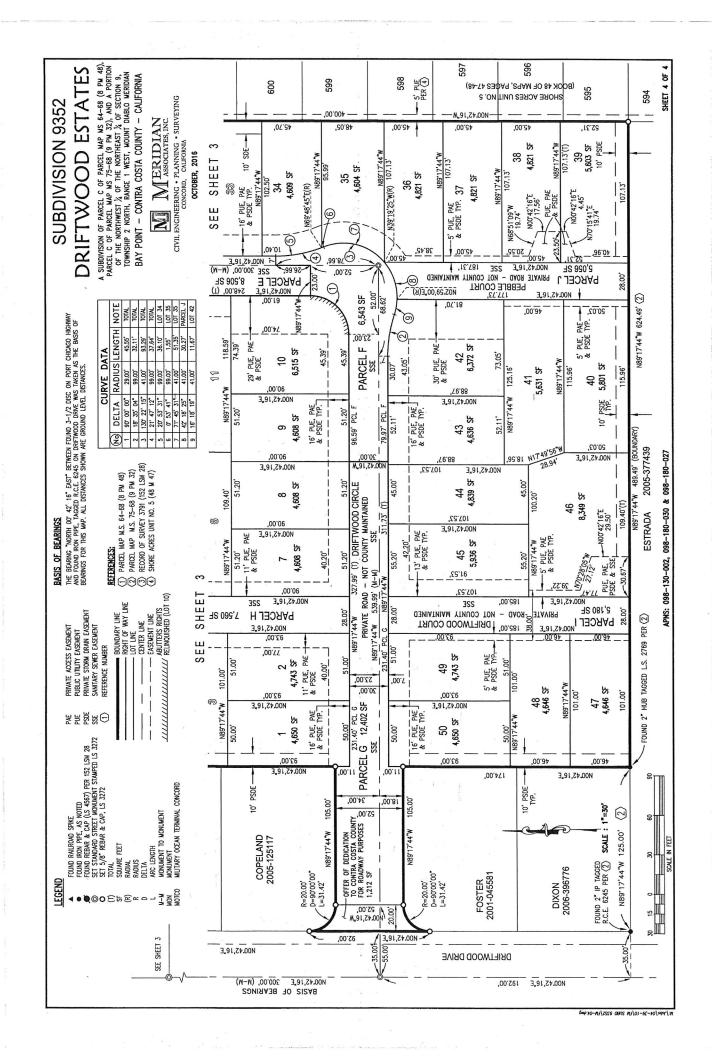
ARUNA BHAT DEPUTY DIRECTOR DEPATHENT OF CONSERVATION AND DEVELOPMENT COMMUNITY DEVELOPMENT DIVISION

DATE: Januagy 023, 2017 on Alma Reat

SHEET 1 OF 4







# SUBDIVISION AGREEMENT

(Gov. Code, §§ 66462 and 66463)

Subdivision:	SD13-9352	Effective Date:
Subdivider:	Driftwood Community LLC	Completion Period: Two (2) years
_	· · · · · · · · · · · · · · · · · · ·	
THESE SIGNA	ATURES ATTEST TO THE PARTIES' AGREEME	ENT HERETO:
CONTRA COS	STA COUNTY	SUBDIVIDER
Julia R. Buere	n, Public Works Director	Civic Property Group, Inc. Søle Member, Driftwood Community, LLC
Ву:		Print Name David B. Sanson
RECOMMEND	DED FOR APPROVAL:	Print Title President
Ву:		Print Name: Lori J. Sanson
Engin	eering Services Division	Print Title: Secretary
FORM APPRO	OVED: Silvano B. Marchesi, County Counsel	[Note: If Subdivider is a corporation, two officers must sign. The first must be the chairman of the board, president or any vice president; the second must be the secretary, assistant secretary, chief financial officer or any assistant treasurer. (Corp. Code, § 313; Civ. Code, § 1190.) If Subdivider is a limited liability company, Subdivider shall sign in the manner required of corporations, or by two managers, or by one manager, pursuant to the articles of organization (see Corp. Code, §§ 17151, 17154, 17157.) If Subdivider is a partnership, any authorized partner may sign. Signatures by Subdivider must be notarized.]
1. PARTIE mentioned Sul	ES & DATE. Effective on the above date, the Coubdivider mutually promise and agree as follows of	unty of Contra Costa, California (hereinafter "County"), and the above-concerning this Subdivision:
signs, street li improvement p by the Condition	ghts, fire hydrants, landscaping and such other plans for this Subdivision as reviewed and on file	oad improvements (both public and private), drainage improvements, improvements (including appurtenant equipment) as required in the with the Contra Costa County Public Works Department, as required mance with the Contra Costa County Ordinance Code, including future
required by the accepted consthereunder; ar	e California Subdivision Map Act (Gov. Code, § struction practices and in a manner equal or su	fter "Work") within the above completion period from date hereof, as § 66410 et. seq.) in a good workmanlike manner, in accordance with perior to the requirements of the Ordinance Code and rulings made nent plans, the Conditions of Approval and the Ordinance Code, the
	VEMENTS SECURITY. Upon executing this Agrance Code, provide as security to the County:	reement, the Subdivider shall, pursuant to Gov. Code § 66499 and the
A. which togethe of:	For Performance and Guarantee: \$ 18,000 r total one hundred percent (100%) of the estimate	cash, plus additional security, in the amount of \$_1,715,000_, ted cost of the Work. Such additional security is presented in the form
X	Cash, certified check or cashier's Acceptable corporate surety bond Acceptable irrevocable letter of cr	l.
With th its completion	is security, Subdivider guarantees performance and acceptance against any defective workmar	under this Agreement and maintenance of the Work for one year after aship or materials or any unsatisfactory performance.
B. Work. Such s	For Payment: Security in the amount: \$ 866,5 ecurity is presented in the form of:	, which is fifty percent (50%) of the estimated cost of the
X	Cash, certified check, or cashier' Acceptable corporate surety bone Acceptable irrevocable letter of c	d.
	is security, Subdivider guarantees payment to the abor or materials to them or to the Subdivider.	ne contractor, to its subcontractors and to persons renting equipment

Upon acceptance of the Work as complete by the Board of Supervisors and upon request of Subdivider, the amounts held as security may be reduced in accordance with Sections 94-4.406 and 94-4.408 of the Ordinance Code.

4. <u>GUARANTEE AND WARRANTY OF WORK.</u> Subdivider guarantees that the Work shall be free from defects in material or workmanship and shall perform satisfactorily for a period of one (1) year from and after the Board of Supervisors accepts the Work as complete in accordance with Article 96-4.6, "Acceptance," of the Ordinance Code. Subdivider agrees to correct, repair, or replace, at Subdivider's expense, any defects in said Work.

The guarantee period does not apply to road improvements for private roads that are not to be accepted into the County road system.

- 5. <u>PLANT ESTABLISHMENT WORK</u>. Subdivider agrees to perform plant establishment work for landscaping installed under this Agreement. Said plant establishment work shall consist of adequately watering plants, replacing unsuitable plants, doing weed, rodent and other pest control and other work determined by the Public Works Department to be necessary to ensure establishment of plants. Said plant establishment work shall be performed for a period of one (1) year from and after the Board of Supervisors accepts the Work as complete.
- 6. <u>IMPROVEMENT PLAN WARRANTY</u>. Subdivider warrants the improvement plans for the Work are adequate to accomplish the Work as promised in Section 2 and as required by the Conditions of Approval for the Subdivision. If, at any time before the Board of Supervisors accepts the Work as complete or during the one year guarantee period, said improvement plans prove to be inadequate in any respect, Subdivider shall make whatever changes are necessary to accomplish the Work as promised.
- 7. NO WAIVER BY COUNTY. Inspection of the Work and/or materials, or approval of the Work and/or materials or statement by any officer, agent or employee of the County indicating the Work or any part thereof complies with the requirements of this Agreement, or acceptance of the whole or any part of said Work and/or materials, or payments therefor, or any combination or all of these acts, shall not relieve the Subdivider of its obligation to fulfill this Agreement as prescribed; nor shall the County be thereby stopped from bringing any action for damages arising from the failure to comply with any of the terms and conditions hereof.
- 8. INDEMNITY. Subdivider shall defend, hold harmless and indemnify the indemnitees from the liabilities as defined in this section:
- A. The <u>indemnitees</u> benefitted and protected by this promise are the County and its special districts, elective and appointive boards, commissions, officers, agents and employees.
- B. The <u>liabilities</u> protected against are any liability or claim for damage of any kind allegedly suffered, incurred or threatened because of actions defined below, and including personal injury, death, property damage, inverse condemnation, or any combination of these, and regardless of whether or not such liability, claim or damage was unforeseeable at any time before County reviewed said improvement plans or accepted the Work as complete, and including the defense of any suit(s), action(s), or other proceeding(s) concerning said liabilities and claims.
- C. The <u>actions causing liability</u> are any act or omission (negligent or non-negligent) in connection with the matters covered by this Agreement and attributable to Subdivider, contractor, subcontractor, or any officer, agent, or employee of one or more of them.
- D. <u>Non-Conditions</u>. The promise and agreement in this section are not conditioned or dependent on whether or not any indemnitee has prepared, supplied, or approved any plan(s) or specification(s) in connection with this Work or Subdivision, or has insurance or other indemnification covering any of these matters, or that the alleged damage resulted partly from any negligent or willful misconduct of any indemnitee.
- 9. <u>COSTS</u>. Subdivider shall pay, when due, all the costs of the Work, including but not limited to the costs of relocations of existing utilities required thereby; inspections; material checks and tests; and other costs incurred by County staff arising from or related to the Work, and prior to acceptance of the Work as complete or expiration of any applicable warranty periods, whichever is later.
- 10. <u>SURVEYS</u>. Subdivider shall set and establish survey monuments in accordance with the filed map and to the satisfaction of the County Road Commissioner-Surveyor before acceptance of the Work as complete by the Board of Supervisors.
- 11. <u>NON-PERFORMANCE AND COSTS</u>. If Subdivider fails to complete the Work within the time specified in this Agreement, and subsequent extensions, or fails to maintain the Work, County may proceed to complete and/or maintain the Work by contract or otherwise and Subdivider agrees to pay all costs and charges incurred by County (including, but not limited to, engineering, inspection, surveys, contract, overhead, etc.) immediately upon demand.

Once action is taken by County to complete or maintain the Work, Subdivider agrees to pay all costs incurred by County, even if Subdivider subsequently completes the Work.

Should County sue to compel performance under this Agreement or to recover costs incurred in completing or maintaining the Work, Subdivider agrees to pay all attorney's fees, staff costs and all other expenses of litigation incurred by County in connection therewith, even if Subdivider subsequently proceeds to complete the Work.

- 12. <u>INCORPORATION/ANNEXATION</u>. If, before the Board of Supervisors accepts the Work as complete, the Subdivision is included in territory incorporated as a city or is annexed to an existing city, except as provided in this paragraph, County's rights under this Agreement and/or any deposit, bond, or letter of credit securing said rights shall be transferred to the new or annexing city. Such city shall have all the rights of a third party beneficiary against Subdivider, who shall fulfill all the terms of this Agreement as though Subdivider had contracted with the city originally. The provisions of paragraph 8 (Indemnity) shall continue to apply in favor of the indemnitees listed in paragraph 8.A. upon any such incorporation or annexation.
- 13. <u>RECORD MAP</u>. In consideration hereof, County shall allow Subdivider to file and record the final map or parcel map for said Subdivision.
- 14. <u>RIGHT OF ENTRY</u>. Subdivider hereby consents to entry onto the Subdivision property, and onto any other property over which Subdivider has land rights and upon which any portion of the Work is to be installed pursuant to the improvement plans, by County and its forces, including contractors, for the purpose of inspection, and, in the event of non-performance of this Agreement by Subdivider, completion and/or maintenance of the Work.

# **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Signature \_

validity of that document.
State of California County of
On
(insert name and title of the officer)
personally appeared
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.  JESSICA MORAGE Commission # 2136371
Notary Public - California Contra Costa County My Comm. Expires Dec 26, 2019

(Seal)

# **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

attached, and not the truthfulness, accuracy, or validity of that document.
State of California County of
On 1 19 17 before me, Jessica Moraes, Notary Public
(insert name and title of the officer)
personally appeared
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same ir his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.  JESSICA MORAES Commission # 2136371 Notary Public - California Contra Costa County My Comm. Expires Dec 26, 2019
Signature (Seal)

Subdivision: SD13-9352 Bond No.: 651213S Premium: \$20,580.00 Any claim under this Bond should be sent to the following address: Developers Surety and Indemnity Co 1655 Grant Street, 6th Floor Concord, CA 94520

	IMPROVEMENT S FOR SUBDIVISION (Performance, Guar		
	•	66499-66499.10)	
RECITAL OF SUBDIVIS install and pay for street, drainage and other in time specified for completion in the Subdivision the Final Map or Parcel Map for said subdiv performance of the Subdivision Agreement an	provements in Subdivision 13-935 Agreement, all in accordance with sision. Under the terms of the Subdivision.	State and local laws and rulings thereunder division Agreement, Principal is required to	nt, and to complete said work within the in order to satisfy conditions for filing of
2. OBLIGATION. Driftw	ood Community, LLC		, as Principal
and Developers Surety and Indem			, a corporation organized and existing
under the laws of the State of lowa	an	d authorized to transact surety business in 0	
severally bind ourselves, our heirs, executors,			
(A. Performance and G (\$_1.715.000.00) for itself or any city	uarantee) ONE MILLION SEN assignee under the above Subdivision	VEN HUNDRED FIFTEEN THOU on Agreement.	JSAND AND 00/100 Dollars
(B. Payment) EIGH	HUNDRED SIXTY SIX TH	IOUSAND FIVE HUNDRED AND	00/100
(D. Tajillolit)		XV (commencing with Section 3082) of Part	Duliais
3. <u>CONDITION</u> . This oblig	ation is subject to the following cond	ition.	
A. The condition administrators, successors or assigns, shall in said agreement and any alteration thereof making all respects according to their true intent and employees, as therein stipulated, then this obligation.	all things stand to and abide by, and le as therein provided, on his or their I meaning, and shall indemnify and s	part, to be kept and performed at the time a save harmless the County of Contra Costa (o	nants, conditions and provisions in the and in the manner therein specified, and or city assignee), its officers, agents and
As part of the obligation expenses and fees, including reasonable attor taxed as costs and included in any judgment r	ney's fees, incurred by the County of	the face amount specified therefor, here s f Contra Costa (or city assignee) in successfu	hall be included costs and reæonable ully enforcing such obligation, and to be
B. The condition firmly bound unto the County of Contra Cos aforesaid Subdivision Agreement and referre Unemployment Insurance Act with respect to and also in case suit is brought upon this be attorney's fees, incurred by the County of Cortaxed as costs and to be included in the judgment of the county of the condition of the county of t	a and all contractors, subcontracto d to in the aforesaid Civil Code for this work or labor, and that the Sure and, will pay, in addition to the face that Costa (or city assignee) in succe	r materials furnished or labor thereon of ar ty will pay the same in an amount not excee amount thereof, costs and reasonable ex	is employed in the performance of the ny kind, or for amounts due under the eding the amount hereinabove set forth penses and fees, including reasonable
It is hereby expressly st to file claims under Title 15 (commencing with brought upon this bond.	pulated and agreed that this bond sh Section 3082) of Part 4 of Division 3	nall inure to the benefit of any and all person. Is of the Civil Code, so as to give a right of ac	s, companies, and corporations entitlection to hem or their assigns in any sui
Should the condition of and effect.	his bond be fully performed, then thi	s obligation shall become null and void; other	ewise it shall be and remain in full force
C. No change, thereunder or any plan or specifications of sai on this bond; and consent is hereby given to hereby waives the provisions of Civil Code Ser	dwork, agreed to by the Principal and make such change, extension of tin	ne, alteration or addition without further noti	ee) shall relieve any Surety from liability ice to or consent by Surety; and Surety
SIGNED AND SEALED on January 12	, 20_ 17		
Principal: Driftwood Community, LL	С	Surety: Developers Surety an	nd Indemnity Company
Address: 1500 Willow Pass Court		Address: 1655 Grant Street, 6	ith Floor
Concord, CA	Zip: 94520	Concord, CA	<sub>Zip:</sub> 94520
By: MUM		By:	lal
Print Name: David B. Sar	1500	Print Name: John J. Daley	
Title: President		Title: Attorney-in-Fact	

[Note: All signatures must be acknowledged. For corporations, two officers must sign. The first signature must be that of the chairman of the board, president, or vice-president; the second signature must be that of the secretary, assistant secretary, chief financial officer, or assistant treasurer. (Civ. Code, § 1190 and Corps. Code, § 313.)]

Form Approved by County Counsel

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this identity of the individual who signed the docum is attached, and not the truthfulness, accuracy,	ent to which this certificate
State of California	
County of Contra Costa	
On January 12, 2017 before me, L. By personally appeared John J. Daley	ras Barnett, Notary Public  Here Insert Name end Title of the Officer  Name(s) or Signer(s)
L. BYAS BARNETT Commission # 2001280 Notary Public - California Contra Costa County My Comn. Expires Jan 13, 2017  Place Notary Seal Above	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  WITNESS my hand and official seal.  Signature  Signature  Signature  Signature  Signature  Signature  Signature  Signature  Signature
Thoughthe information below is not required be and could prevent fraudulent remove	y law, it may prove valuable to persons relying on the document al and reattachment of this form to another document
Description of Attached Document	
Title or Type of Document Bond Number 65121	3S
Document Date: January 12, 2017	Number of Pages: One (01)
Signer(s) Other Than Named Above! N/A	
Capacity(ies) Claimed by Signer(s)	
Signer's Name: John J. DaleyIndividual Corporate OfficerTitle(s):	Signer's Name: Individual Corporate Officer —Title(s):
PartnerLimitedGeneralX_Attorney in FactTrusteeGuardian or Conservator Other:	TPartnerLimitedGeneral RIGHT THUMBPRINT OF SIGNER

## POWER OF ATTORNEY FOR DEVELOPERS SURETY AND INDEMNITY COMPANY INDEMNITY COMPANY OF CALIFORNIA

PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

\*\*\*John J. Daley, Kenneth J. Goodwin, Linda Byas-Barnett, jointly or severally\*\*\*

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney:

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this January 29, 2015.

Mark Lansdon, Vice-President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California County of Orange

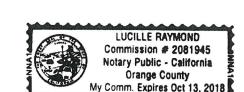
personally appeared

January 29, 2015

before me, \_

Lucille Raymond, Notary Public

Daniel Young and Mark Lansdon



Place Notary Seal Above

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

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

WITNESS my hand and official seal.

Signature

Lucille Raymond, Notary Public

### CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this

day of Jenuery, 2016.

Cassie J. Berrisford, Assistant Secretary

ID-1380(Rev.01/15)

# **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Signature

	validity of that document.
	State of California County of
	On
	(insert name and title of the officer)
(	personally appeared
	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
	WITNESS my hand and official seal.  JESSICA MORAES Commission # 2136371

(Seal)

Notary Public - California Contra Costa County My Comm. Expires Dec 26, 2019 Tax Collector's Office

625 Court Street Finance Building, Room 100 P. O. Box 631 Martinez, California 94553-0063 (925) 957-5280 (925) 957-2898 (FAX) Contra Costa County



Russell V. Watts
County Treasurer-Tax Collector

Brice B. Bins Chief Deputy Treasurer-Tax Collector

Lulis Lopez Assistant Tax Collector

IF THIS TRACT IS NOT FILED PRIOR TO THE DATE TAXES ARE OPEN FOR COLLECTION (R&T CODE 2608) *THIS LETTER IS VOID.* 

This will certify that I have examined the map of the proposed subdivision entitled:

 Tract / MS #
 City
 T.R.A.

 9352
 BAY POINT
 79024

 Parcel #:
 098-130-002-3 098-180-027-9 098-180-030-3

and have determined from the official tax records that there are no unpaid County taxes heretofore levied on the property included in the map.

The 2016-2017 tax lien has been paid in full. Our estimate of the 2017-2018 tax lien, which became a Lien on the 1st day of January, 2017 is:

\$10,700.00

This tract is not subject to a 1915 Act Bond.

The amount calculated is <u>void</u> 45 days from the date of this letter, unless this letter is accompanied with security approved by the Contra Costa County Tax Collector <u>Subdivision bond must be presented to the County Tax Collector for review and approval of adequacy of security prior to filing with the Clerk of the Board of Supervisors.</u>

RUSSEL V. WATTS Treasurer-Tax Collector

By:

**PRINCIPAL** 

Mike Evans DeNova Homes, Inc 1500 Willow Pass Court Concord, CA 94520 Phone: (925)685-0110

Bond Number: 651911S Premium: \$128.00

**TITLE COMPANY** 

First American Title Company 1001 Galaxy Way, Suite 101 Concord, CA 94520

Attention: Tavia Allen-Lovett Phone: (925)356-7047

Order Number: 5108217

**SURETY** 

Name: <u>Developers Surety and Indemnity Company</u>

Address: 17771 Cowan, Suite 100

**Irvine, CA 92614** 

Phone #: 925/288-6792

# **Tax Year 2017/2018**

# **BOND AGAINST TAXES**

KNOW ALL MEN BY THESE PRESENTS:

THAT, DRIFTWOOD COMMUNITY, LLC, A CALIFORNIA	LIMITED LIABILITY COMPANY,	as principal and
(Surety) <b>Developers Surety and Indemnity Company</b>		
a corporation organized and existing under the laws of the St	ate of <b>Iowa</b>	, and
authorized to transact surety business in California as surety	are held and firmly bound unto the	County of Contra
Costa, State of California, in the penal sum of <b>Ten Thousand</b> paid to said County of Contra Costa, for the payment of which ourselves, our heirs, executors, administrators and successors	h will and truly be made, we and ea	ch of us bind
Sealed with our Seals and dated this <b>18th</b>	day of <b>January</b>	2017.

The conditions of the above obligation is such that WHEREAS, the above bounded principal is about to file a map entitled **9352** and covering a subdivision of a tract of land in said County of Contra Costa and there are certain liens for taxes and special assessments collected as taxes, against the said tract of land covered by said map, which taxes and special assessments collected as taxes, are not as yet due or payable.

NOW, THEREFORE, if the said **Principal**, shall pay all of the taxes and special assessments collected as taxes which are a lien against said tract of land covered by said map, at the time of the filing of said map of said tract, then this obligation shall be void and of no effect, otherwise it shall remain in full force and effect.

# DRIFTWOOD COMMUNITY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

**Developers Surety and Indemnity Company** 

**Principal** A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. See the Attached All-Purpose Acknowledgment STATE OF COUNTY OF 1881 Ca Morars before me, Public, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s/ whose name(s) are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal. JESSICA MORAES

Signature

JESSICA MORAES
Commission # 2136371
Notary Public - California
Contra Costa County
My Comm. Expires Dec 26, 2019

This area for official notarial seal

BOND REVIEWED AND APPROVED
CONTRA COSTA COUNTY
TREASURER TAX COLLECTOR
BY:

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. State of California County of Contra Costa On January 18, 2017 before me, L. Byas Barnett, Notary Public Here Insert Name end Title of the Officer personally appeared John J. Daley Name(s) or Signer(s) who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the L. BYAS BARNETT Notary Public - California instrument the person(s), or the entity upon behalf of **Contra Costa County** which the person(s) acted, executed the instrument. Commission # 2175824 My Comm. Expires Jan 13, 2021 certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal. Signature Place Notary Seal Above OPTIONAL Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document **Description of Attached Document** Title or Type of Document Bond Number 651911S Document Date: January 18, 2017 Number of Pages: Two (02) Signer(s) Other Than Named Above! N/A Capacity(ies) Claimed by Signer(s) Signer's Name: John J. Daley Signer's Name: Individual Individual Corporate Officer -- Title(s): Corporate Officer —Title(s): Partner \_\_Limited \_\_General Partner \_\_Limited \_\_General RIGHT THUMBPRINT OF SIGNER X Attorney in Fact Attorney in Fact Top of thumb here Trustee Trustee Guardian or Conservator Guardian or Conservator Other: Other: Signer Is Representing: Signer Is Representing: Developers Surety and Indemnity Company

## POWER OF ATTORNEY FOR DEVELOPERS SURETY AND INDEMNITY COMPANY INDEMNITY COMPANY OF CALIFORNIA

PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

\*\*\*John J. Daley, Kenneth J. Goodwin, Linda Byas-Barnett, jointly or severally\*\*\*

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of surelyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this January 29, 2015.

Mark Lansdon, Vice-President





A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California County of Orange

January 29, 2015

before me.

Lucille Raymond, Notary Public Here Insert Name and Title of the Officer

Daniel Young and Mark Lansdon

personally appeared

Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature

Lucille Raymond, Notary Public

Place Notary Seal Above

### CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

LUCILLE RAYMOND

Commission # 2081945 Notary Public - California

**Orange County** 

My Comm. Expires Oct 13, 2018

This Certificate is executed in the City of Irvine, California, this 19th day of January, 2017.

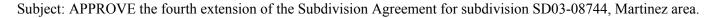
mi J. Berrisford Cassie J. Berrisford, Assistant Sectetary

ID-1380(Rev.01/15)

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017





Contra Costa County

# **RECOMMENDATION(S):**

ADOPT Resolution No. 2017/45 approving the fourth extension of the Subdivision Agreement for subdivision SD03-08744, for a project being developed by Discovery Builders, Inc., as recommended by the Public Works Director, Martinez area. (District V)

# **FISCAL IMPACT:**

No fiscal impact.

# **BACKGROUND:**

The terminal date of the Subdivision Agreement needs to be extended. The developer has not completed the required improvements and has requested more time. (Approximately 0% of the work has been completed to date) By granting an extension, the County will give the developer more time to complete the improvements and keep the bond current.

# **CONSEQUENCE OF NEGATIVE ACTION:**

The terminal date of the Subdivision Agreement will not be extended and the developer will be in default of the agreement, requiring the County to take legal action against the developer and surety to get the improvements installed, or revert the development to acreage.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Jocelyn LaRocque, 925-313-2315	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
Jacobym La Dangua Empirocoping Compiess	Sharri Daad Dagian & Canatrayatian Digaayara Duildara Ina Safaca Ingurance Co. of America

# <u>ATTACHMENTS</u>

Resolution No. 2017/45 Subdivision Agreement Extension SD03-08744

# THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	N SEAL
NO:	
ABSENT:	
ABSTAIN:	
RECUSE:	COUNT

## Resolution No. 2017/45

IN THE MATTER OF approving the fourth extension of the Subdivision Agreement for subdivision SD03-08744, for a project being developed by Discovery Builders, Inc., as recommended by the Public Works Director, Martinez area. (District V)

WHEREAS the Public Works Director having recommended that she be authorized to execute the fourth agreement extension which extends the subdivision improvement agreement between Discovery Builders, Inc., and the County for construction of certain improvements in subdivision SD03-08744, Martinez area, through August 14, 2017.

APPROXIMATE PERCENTAGE OF WORK COMPLETE: 0%

ANTICIPATED DATE OF COMPLETION: December 2018

BOND NO.: 6503332 Date: July 24, 2017

REASON FOR EXTENSION: Housing market and product revisions needed

NOW, THEREFORE, BE IT RESOLVED that the recommendation of the Public Works Director is APPROVED.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: February 14, 2017

Contact: Jocelyn LaRocque, 925-313-2315 David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: Jocelyn LaRocque, Engineering Services, Sherri Reed, Design&Construction, Discovery Builders, Inc., Safeco Insurance Co. of America

# CONTRA COSTA COUNTY

# SUBDIVISION AGREEMENT EXTENSION

Development Number: SD03-08744

Developer: Discovery Builders, Inc.

Original Agreement Date: August 14, 2007

Fourth Extension New Termination Date: August 14, 2017

Improvement	Security

SURETY:

Safeco Insurance Company of America

BOND No.

650 3332

Date:

July 24, 2007

Security Type

Security Amount

Cash:

\$\_\_\_\_\_5,100.00 (1% cash, \$1,000 Min.)

SURETY BOND:

\$\_\_\_\_505,800.00 (Performance)

\$ <u>255,400.00</u> (Labor& Material)

The Developer and the Surety desire this Agreement to be extended through the above date; and Contra Costa County and said Surety hereby agree thereto and acknowledge same.

Dated:	Dated: November 28, 2016			
	Discovery Builders, Inc.			
FOR CONTRA COSTA COUNTY Julia R. Bueren, Public Works Director	Developer's Signature(s)  Albert D. Seeno, III			
Ву:	Printed			
	By: Developer's Signature(s)			
RECOMMENDED FOR APPROVAL:	Printed			
By:				
(Engineering Services Division)	Address 4061 Port Chicago Highway, Suite H			
	Concord, CA 94520			
(NOTE: Developer's, Surety's and Financial	Surety or Financial Institution SAFECO INSURANCE COMPANY OF AMERICA			
Institution's Signatures must be Notarized.)				
FORM APPROVED: Victor J. Westman, County Counsel  After Approval Return to Clerk of the Board	Address 175 Berkeley Street Boston, MA 02116			
	Attorney in Facts Signature  By: West Signature  Printed Carolyne Emery, Attorney-in-Fact			



# **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California County of Contra Costa		
On December 1st, 2016 before me	e, Nancy McMillin, Notary Public (insert name and title of the officer)	
Albert D. Seeno, III  who proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/x/x subscribed to the within instrument and acknowledged to me that he/x/x/x/x authorized capacity(x/x), and that by his/x/x/x/x/x signature(x) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.		
paragraph is true and correct.	er the laws of the State of California that the foregoing	
WITNESS my hand and official seal.	NANCY MCMILLIN Commission # 2036113 Notary Public - California Contra Costa County My Comm. Expires Sep 3, 2017	

# **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

attached, and not the truthfulness, accuracy, or validity of that document.		
State of California County ofSan Francisco)		
On		
(insert name and title of the officer)		
personally appearedCarolyne Emery,		
who proved to me on the basis of satisfactory evidence to be the person(家) whose name(家) is taxes: subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by 所多/her/你可以 on the instrument the person(家), or the entity upon behalf of which the person(家) acted, executed the instrument.		
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.		
WITNESS my hand and official seal.  S. NICOLE EVANS Commission # 1999133 Notary Public - California		
Signature (Seal)  San Francisco County My Comm. Expires Dec 11, 2016		

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 7279395

First National Insurance Company of America General Insurance Company of America Safeco Insurance Company of America

# **POWER OF ATTORNEY**

KNOWN ALL PERSONS BY THESE PRESENTS: That First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America are corporations duly organized under the laws of the State of New Hampshire (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Bradley N. Wright; Carolyne Emery; Frances M. Murphy

all of the city of San Francisco, state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 2nd day of March , 2016.







First National Insurance Company of America General Insurance Company of America Safeco Insurance Company of America

By: Afavia

David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA COUNTY OF MONTGOMERY

SS

On this <u>2nd</u> day of <u>March</u>, <u>2016</u>, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires March 28, 2017

Member, Pennsylvania Association of Notaries

Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-law and Authorizations of First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, which are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-infact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 28

\_ day of NOVEMBER

20 16

1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

Attorney

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Gregory W. Davenport, Assistant Secretary

SLAT ON STATE OF STAT

Contra Costa County

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: CONSIDER the expansion of the County's Adopt-A-Road Program to include additional features, Countywide.

Project No. 7517-6W7098

# **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Public Works Director, or designee, to expand the Adopt-A-Road Program to include other publicly-owned facilities and initiate an outreach campaign to Municipal Advisory Councils, service organizations, church groups, chambers of commerce, sports leagues, scouts, etc., to recruit volunteers to remove trash from these facilities. Utilize existing monitoring and assessment protocols to take appropriate trash reduction credit for these activities, Countywide.

# **FISCAL IMPACT:**

Costs are expected to be \$15,000 to \$20,000, per fiscal year to account for organizing and monitoring of cleanups and to provide public outreach materials. It will be funded 100% by the Stormwater Utility Assessment 17 funds.

# **BACKGROUND:**

The TWI Committee approved the expansion of the Adopt-A-Road Program on October 13, 2016. The proposed expansion will include other County Infrastructure, including adoption

<b>✓</b> APPROVE		OTHER
▼ RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board n.
	ATTESTED: February	14, 2017
Contact: John Steere, (925) 313-2281	David J. Twa, County Ad	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	

cc: Cece Sellgren, County Watershed Program, John Steere, County Watershed Program, Catherine Windham, Flood Control

# BACKGROUND: (CONT'D)

of storm drains, trash cans by bus stops, flood control channels, and parks for trash cleanup. It will be designed to encourage and engage residents and community groups to remove trash/litter from public infrastructure. This will help the County fulfill its trash reduction responsibilities under provision C.10 of the Municipal Regional Permit (MRP).

# **CONSEQUENCE OF NEGATIVE ACTION:**

If the Program is not expanded, there will be no mechanism to enable the wider community to assist the County in accomplishing its trash reduction responsibilities for the MRP.

SLAI O

Contra Costa County

To: Board of Supervisors

From: Keith Freitas, Airports Director

Date: February 14, 2017

Subject: APPROVE and AUTHORIZE the Director of Airports, or designee, to execute a hangar rental agreement with

Buchanan Field Airport Hangar tenant

# **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Director of Airports, or designee, to execute a month-to-month hangar rental agreement with JC Smith and Lawrence Chan for a T-hangar at Buchanan Field Airport effective February 1, 2017 in the monthly amount of \$394.10, Pacheco area.

# **FISCAL IMPACT:**

The Airport Enterprise Fund will realize \$4,729.20 annually.

# **BACKGROUND:**

On September 1, 1970, Buchanan Airport Hangar Company entered into a 30-year lease with Contra Costa County for the construction of seventy-five (75) hangars and eighteen (18) aircraft shelters at Buchanan Field Airport. Buchanan Airport Hangar Company was responsible for the maintenance and property management of the property during that 30-year period.

On September 1, 2000, the County obtained ownership of the aircraft hangars and shelters, pursuant to the terms of the above lease.

<b>✓</b> APPROVE	OTHER	
<b>▼</b> RECOMMENDATION OF	CNTY ADMINISTRATOR COMMITTEE	
Action of Board On: 02/14/2017 APPROVED AS RECOMMENDED OTHER  Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.  ATTESTED: February 14, 2017	
Contact: Beth Lee, (925) 681-4200	David J. Twa, County Administrator and Clerk of the Board of Supervisors	
	By: , Deputy	

cc:

# BACKGROUND: (CONT'D)

On February 13, 2007, Contra Costa County Board of Supervisors approved the new Large Hangar Lease Agreement for use with the larger East Ramp Hangars.

On February 3, 2008, Contra Costa County Board of Supervisors approved the amended T-Hangar Lease Agreement which removed the Aircraft Physical Damage Insurance requirement. The new amended T-hangar Lease Agreement will be used to enter into this aircraft rental agreement.

# **CONSEQUENCE OF NEGATIVE ACTION:**

A negative action will cause a loss of revenue to the Airport Enterprise Fund.

# **ATTACHMENTS**

JC Smith and Lawrence CHan, MD - Hangar Agreement

# CONTRA COSTA COUNTY - BUCHANAN FIELD AIRPORT T-HANGAR AND SHADE HANGAR RENTAL AGREEMENT

- PARTIES: February 1, 2017 ("Effective Date"), the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("Airport"), JC Smith and Lawrence Chan, MD ("Renter"), hereby mutually agree and promise as follows:
- 2. RENTER AND AIRCRAFT INFORMATION: Simultaneous with the execution of this T-Hangar and Shade Hangar Rental Agreement ("Rental Agreement") by Renter, Renter shall complete the Renter and Aircraft Information Form. A completed copy of the Renter and Aircraft Information Form is attached hereto as Exhibit "A" and incorporated herein. Renter must also provide to Airport at that time, for inspection and copying, (1) the original current Aircraft Registration or, if the aircraft described in Exhibit A is under construction, the plans for and proof of ownership of such aircraft; and (2) the insurance information required by Section 16 below.
- 3. <u>PURPOSE</u>: The purpose of this Rental Agreement is to provide for the rental of a T-Hangar or Shade Hangar space at the Contra Costa County Buchanan Field Airport for the storage of the aircraft described in the <u>Renter and Aircraft Information Form ("Renter's Aircraft")</u>.
- 4. PREMISES: For and in consideration of the rents and faithful performance by Renter of the terms and conditions set forth herein, Airport hereby rents to Renter and Renter hereby rents from Airport that T-Hangar or Shade Hangar shown as #<u>E-12</u> on the T-Hangar and Shade Hangar Site Plan, attached hereto as Exhibit B and incorporated herein. This T-Hangar or Shade Hangar is part of the T-Hangar and Shade Hangar Site ("T-Hangar Site") and shall hereinafter be described as the "T-Hangar."

Renter has inspected the T-Hangar and hereby accepts the T-Hangar in its present condition, as is, without any obligation on the part of Airport to make any alterations, improvements, or repairs in or about the T-Hangar.

5. <u>USE</u>: The T-Hangar shall be exclusively by Renter for the storage of Renter's Aircraft. In addition to the storage of Renter's Aircraft, Renter may use the T-Hangar for (1) the homebuilding, restoration and/or maintenance of Renter's Aircraft, provided that such homebuilding, restoration and/or maintenance is performed by Renter only and in conformance with all applicable statutes, ordinances, resolutions, regulations, orders, circulars (including but not limited to FAA Advisory Circular 20-27) and policies now in existence or adopted from time to time by the United States, the State of California, the County of Contra Costa and other government agencies with jurisdiction over Buchanan Field Airport; (2) the storage of and materials directly

related to the storage, construction of homebuilt planes homebuilding, restoration, and/or maintenance of Renter's Aircraft; (3) the storage of one boat, or one recreational vehicle, or one motorcycle, or one automobile, provided that Renter first provides to Airport proof of Renter's ownership and original registration of any stored boat or vehicle, for inspection and copying; and/or (4) the storage of comfort items (such as a couch, small refrigerator, etc.) that the Director of Airports, in his sole discretion, determines will not impede the use of the hangar for the storage of Renter's Aircraft, and are not prohibited by applicable building and fire codes. The T-Hangar shall not be used for any purpose not expressly set forth in this Section 5. Use.

The use of all or a portion of the T-Hangar for the storage of aircraft not owned or leased by Renter is prohibited. ("Aircraft not owned or leased by Renter" means any aircraft in which Renter does not have an ownership interest or which is not directly leased to Renter). Renter shall present proof of said ownership interest or lease to Airport upon request in addition to that information provided in Exhibit A.

If Renter's Aircraft is or becomes non-operational, it may be stored in the T-Hangar only if it is being homebuilt or restored by Renter. Prior to the commencement of any such homebuilding or restoration, Renter shall provide to Airport (1) a copy of the purchase agreement or (2) a valid federal registration number. If Renter's Aircraft is not registered as of the Effective Date, upon completion of construction, Renter shall register and apply for an airworthiness certificate for Renter's Aircraft in accordance with all applicable federal statutes and regulations and provide the original registration and certification to Airport, for inspection and copying, immediately upon receipt by Renter. On or before January 1 of each year, if the homebuilding or restoration has not been completed, Renter shall provide a written annual report to the Director of Airports that details the homebuilding or restoration activity performed, work still required to be completed and an estimate of time of completion.

**TERM**: This Rental Agreement shall be from month to month commencing **February 1, 2017**, and shall continue until terminated. This Rental Agreement may be terminated by any party upon thirty (30) days written notice to the other party.

# 7. RENT:

A. Monthly Rent and Additional Rent. Renter shall pay \$ 394.10 in rent per month ("Monthly Rent") due and payable in advance on the first day of each calendar month, beginning on the commencement date of this Rental Agreement. Unless directed to do otherwise by Airport, Renter shall pay rent only in cash or by personal check, certified check, or money order. If the term of this Rental Agreement begins on a day other than the first day of the month, the Monthly Rent stated above for the first month shall be prorated

SAA ON STORY

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: claims

# **RECOMMENDATION(S):**

DENY claims filed by Alsco, Inc., Neale Miglani, Soudabeh Nikmorad, Juan Partida, and Morgan Sanders.

# **FISCAL IMPACT:**

No fiscal impact.

# **BACKGROUND:**

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b> [	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Joellen Bergamini 925.335.1906	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

SLAL OF STATE OF STAT

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: APPROVE the Board Meeting minutes for January 2017

# **RECOMMENDATION(S):**

APPROVE Board meeting minutes for January 2017, as on file with the Office of the Clerk of the Board.

# **FISCAL IMPACT:**

None.

# **BACKGROUND:**

Government Code Section 25101(b) requires the Clerk of the Board to keep and enter in the minute book of the Board a full and complete record of the proceedings of the Board at all regular and special meetings, including the entry in full of all resolutions and of all decisions on questions concerning the allowance of accounts. The vote of each member on every question shall be recorded.

# **CONSEQUENCE OF NEGATIVE ACTION:**

Contra Costa County will fail to meet the requirements of Government Code Section 25101(b).

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [Clerks Notes:	✓ APPROVED AS RECOMMENDED ☐ OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Joellen Bergamini 925.335.1906	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

SLAL OF

Contra Costa County

To: Board of Supervisors

From: Todd Billeci, County Probation Officer

Date: February 14, 2017

cc:

Subject: Honoring Mr. Willie T. Miller

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDAT	ION OF CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02	/14/2017 APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct Supervisors on the date shown.	ct copy of an action taken and entered on the minutes of the Board of
	ATTESTED: February 14, 2017	1
Contact: 925-313-4149	David J. Twa, County Administrat	for and Clerk of the Board of Supervisors
	By: Deputy	

# **ATTACHMENTS**

Resolution No. 2017/40

# The Board of Supervisors of Contra Costa County, California

In the matter of: Resolution No. 2017/40

Honoring Retired Probation Counselor Willie T. Miller. Mr. Miller was laid to rest on January 17, 2017.

Whereas, Mr. Miller dedicated 15 years of his career to serving as a Probation Counselor in the County Juvenile Hall from 1980 to 1995.

Whereas, Mr. Miller is remembered by his coworkers as being very considerate and attentive to the needs of residents of the Juvenile Hall. His legacy will live on, as many staff that he trained continue to be employed at the Juvenile Hall. His work with them has contributed to their continued success in the service of youth.

Now, Therefore, Be It Resolved that the Board of Supervisors of the County of Contra Costa acknowledges and thanks Mr. Willie T. Miller for his years of dedicated service to the Contra Costa County Probation Department and the people of this County.

FEDI	ERAL D. GLOVER
Chair,	District V Supervisor
JOHN GIOIA	CANDACE ANDERSEN
District I Supervisor	District II Supervisor
DIANE BURGIS	KAREN MITCHOFF
District III Supervisor	District IV Supervisor
	I hereby certify that this is a true and correct copy of an action taker and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
	David J. Twa,
	Domite

SLAL OUT OF THE PARTY OF THE PA

Contra Costa County

To: Board of Supervisors

From: Federal D. Glover, District V Supervisor

Date: February 14, 2017

cc:

Subject: Apology for the Implementation of Presidential Executive Order 9066: 75th Anniversary of the Internment of

Japanese Americans during WWII

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF CNTY ADMINISTRATOR		RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/201	7 APPROVED AS RE	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board.
	ATTESTED: February	14, 2017
Contact: Ed Diokno, 925-427-8138	David J. Twa, County Adr	ninistrator and Clerk of the Board of Supervisors
	By: , Deputy	

# **ATTACHMENTS**

Resolution No. 2017/55

# The Board of Supervisors of Contra Costa County, California

In the matter of: Resolution No. 2017/55

The 75th Anniversary of the Enactment of Presidential Executive Order 9066: The internment of Japanese Americans during WWII

Whereas, Japanese Americans had been living and working in Contra Costa County since the early part of the 20<sup>th</sup> Century; and

Whereas, Executive Order 9066 was signed 75 years ago on Feb. 19, 1942 by President Franklin D. Roosevelt; and

Whereas, Executive Order 9066 ordered the Americans of Japanese descent to be forcibly moved out of restricted zones which included El Cerrito, Pinole-Rodeo, Crockett, Pittsburg, Martinez, Byron and Concord by Feb. 24; and

Whereas, scores of Contra Costa residents of Japanese descent, some who had lived here for two and three generations, were ordered to report to Civil Control Stations with only what they could carry; and Whereas, the Japanese American families were forced to give up their businesses, terminate their studies or sell their land; and

Whereas, 127,000 Americans of Japanese descent were later transferred to internment centers throughout the country that included the infamous Tule Lake, Topaz, Gila River, Heart Mountain and Manzanar; and Whereas, despite the detention of their families were, Japanese American men volunteered to form the 442<sup>nd</sup> Regiment, noted for their exceptional valor and patriotism and which became the most decorated military unit in WWII; and

Whereas, the Commission on Wartime Relocation and Interment of Civilians issued a report on Feb. 24, 1983 condemning the internment as unjust and motivated by racism and xenophobic ideas rather than factual military necessity; and

Whereas; U.S. President Reagan signed signed the Civil Liberties Act of 1988 apologizing for the treatment suffered by the Japanese Americans and President George H.W. Bush issued a formal apology on Dec. 7, 1991; on the 50<sup>th</sup> Anniversary of the Pearl Harbor Attack; and

Whereas, Congress authorized that the ten detention sites are to be preserved as historical landmarks to "forever stand as reminders that this nation failed in its most sacred duty to protect its citizens against prejudice, greed, and political expediency"; and

Whereas, Contra Costa County will forever regret the way its residents of Japanese descent were treated with the loss of their rights, property and civic standing.

Now, Therefore, Be It Resolved on the occasion of the 75<sup>th</sup> Anniversary of the signing of Executive Order 9066, the Board of Supervisors on behalf of the residents of Contra Costa County, do hereby issue a formal apologize to the overall Japanese American community and to the Diablo Valley Japanese American Citizens League for the unjust treatment of our neighbors of Japanese descent and the humiliation and financial losses that they suffered; and thereby urge schools, public agencies and the residents of Contra Costa County to learn about the mistakes and the unwarranted fear they spawned that created Executive Order 9066 so that we do not fail to protect our fellow citizens and neighbors if ever those false circumstances arise again.

# FEDERAL D. GLOVER

Chair, District V Supervisor

JOHN GIOIA

CANDACE ANDERSEN

District I Supervisor

District II Supervisor

**DIANE BURGIS** 

KAREN MITCHOFF

District III Supervisor

District IV Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: February 14, 2017

David J. Twa,	
By:	, Deputy

SLAT OF STATE OF STAT

Contra Costa County

To: Board of Supervisors

From: Candace Andersen, District II Supervisor

Date: February 14, 2017

cc:

Subject: Resolution recognizing Sam Saleh as the Moraga Business Person of the Year

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board n.
	ATTESTED: February	14, 2017
Contact: Lauri Byers, (925) 957-8860	David J. Twa, County Ad	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	

# **ATTACHMENTS**

Resolution No. 2017/47

# The Board of Supervisors of Contra Costa County, California

In the matter of: Resolution No. 2017/47

recognizing Sam Saleh as the 2017 Moraga Business Person of the Year.

Whereas, Sam Saleh is the owner of the local 7-Eleven Store in Moraga and has been a part of the Moraga community since 2000; and

Whereas, during the past 17 years, Sam has been rewarded by the 7-Eleven Corporation for running one of the most successful franchises in California; and

Whereas, Sam's success begins with his customer relationships, his extensive knowledge of the Moraga community in order to decide what products and services will benefit his customers; and

Whereas, Sam has always been an active and supportive member of the community, promoting fundraisers for Boy Scouts and Girl Scouts, and helping with the Chamber Golf Tournament; and

Whereas, Sam has made his presence known, either through donations or putting out the welcome mat for his many customers at the store.

Now, Therefore, Be It Resolved that the Board of Supervisors of Contra Costa County does hereby honor **Sam Saleh for his dedication to the residents of Moraga.** 

# FEDERAL D. GLOVER

Chair, District V Supervisor

JOHN GIOIA	CANDACE ANDERSEN	
District I Supervisor	District II Supervisor	
DIANE BURGIS	KAREN MITCHOFF	
District III Supervisor	District IV Supervisor	
	I hereby certify that this is a true and correct copy of an action and entered on the minutes of the Board of Supervisors on the shown.	
	ATTESTED: February 14, 2017	
	David J. Twa,	
	By: Denuty	

SLAL OF THE STATE OF THE STATE

Contra Costa County

To: Board of Supervisors

From: Candace Andersen, District II Supervisor

Date: February 14, 2017

cc:

Subject: Resolution recognizing Brian Waters as the 2016 recipient of the William Penn Mott, Jr. Environmental Award

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	ENTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Lauri Byers, (925) 957-8860	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

# <u>ATTACHMENTS</u>

Resolution No. 2017/49

# The Board of Supervisors of Contra Costa County, California

In the matter of: Resolution No. 2017/49 recognizing Brian Waters as the 2016 recipient of the William Penn Mott, Jr. Environmental Award.

Whereas, Brian Waters is a Certified Fisheries Scientist with Bachelor's and Master's Degrees in fisheries biology who has been an Orinda resident since 1970; and

Whereas, Brian has been involved with Friends of Orinda Creeks for 11 years, as well a volunteering as assistant scoutmaster for the Boy Scouts and president of the Sleepy Hollow Homeowners' Association; and

Whereas, while working with Friends of Orinda Creeks, Waters was instrumental in restoring rainbow trout to San Pablo Creek and getting Orinda Creeks' interpretive sign installed in Orinda Community Park; and

Whereas, Brian Waters knew the history of San Pablo Creek and realized its potential habitat for the restoration of rainbow trout.

Now, Therefore, Be It Resolved that the Board of Supervisors of Contra Costa County does hereby honor **Brian Waters** In recognition of his hard work and dedication to the people of Orinda.

# FEDERAL D. GLOVER

Chair, District V Supervisor

JOHN GIOIA	CANDACE ANDERSEN	
District I Supervisor	District II Supervisor	
DIANE BURGIS	KAREN MITCHOFF	
District III Supervisor	District IV Supervisor	
	I hereby certify that this is a true and correct copy of an action tak and entered on the minutes of the Board of Supervisors on the date shown.	
	ATTESTED: February 14, 2017	
	David J. Twa,	
	Ry Danuty	

SAL ON STATE OF SALES

Contra Costa County

To: Board of Supervisors

From: Candace Andersen, District II Supervisor

Date: February 14, 2017

cc:

Subject: Resolution recognizing Fix Orinda Roads as the 2016 Orinda Volunteer of the Year

<b>✓</b> APPROVE		OTHER
✓ RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board n.
	ATTESTED: February	14, 2017
Contact: Lauri Byers, (925) 957-8860	David J. Twa, County Ad	ministrator and Clerk of the Board of Supervisors
	By: Deputy	

# <u>ATTACHMENTS</u>

Resolution No. 2017/50

# The Board of Supervisors of Contra Costa County, California

In the matter of: Resolution No. 2017/50

recognizing Fix Orinda Roads as the 2016 Orinda Volunteer of the year.

Whereas, Fix Orinda Roads is an all-volunteer organization that was formed in the Fall of 2011 after two Orinda roads ballot measures failed by small margins to pass; and

Whereas, a group of concerned citizens banded together to create a plan to repair Orinda's roads and associated storm drains and ensure their maintenance in the future; and

Whereas, rather than focusing on all-encompassing options, Fix Orinda Roads focused on creating a multi-phase plan, which would raise funds in more palatable sizes; and

Whereas, the plan was adopted by the Orinda City Council in 2012, and through the committee's efforts, Measure L (temporary tax increase) was passed in 2012, Measure J was passed in 2014 and Measure L was passed again in 2016; and

Whereas, hundreds of volunteers worked with Fix Orinda Roads, all done for the greater good, without receiving any compensation.

Now, Therefore, Be It Resolved that the Board of Supervisors of Contra Costa County does hereby thank Fix Orinda Roads volunteers for their dedication and commitment to Orinda.

# FEDERAL D. GLOVER

Chair, District V Supervisor

JOHN GIOIA	CANDACE ANDERSEN
District I Supervisor	District II Supervisor
DIANE BURGIS	KAREN MITCHOFF
District III Supervisor	District IV Supervisor
	I hereby certify that this is a true and correct copy of an action take and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
	David J. Twa,
	By∵ Denuty

SLAL OF THE SERVICE O

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

cc:

Subject: Results of the 2016 Counties Care Holiday Food Fight

<b>✓</b> APPROVE		OTHER
<b>▶</b> RECOMMENDATION OF C	ENTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date show	and correct copy of an action taken and entered on the minutes of the Board n.
	ATTESTED: February	14, 2017
Contact: Kate Sibley, (925) 335-1032	David J. Twa, County Ad	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	

# **ATTACHMENTS**

Resolution No. 2017/54

# The Board of Supervisors of Contra Costa County, California

In the matter of: Resolution No. 2017/54

RECOGNIZING THE EMPLOYEES OF CONTRA COSTA COUNTY AND THE 2016 COUNTIES CARE HOLIDAY FOOD FIGHT

WHEREAS, Contra Costa County departments and employees again demonstrated just how much public servants care and rose to the annual challenge to raise funds for the Food Bank of Contra Costa and Solano during the 2016 holiday season; and

**WHEREAS**, this 13th Annual Counties Care Challenge is an important part of the Food Bank of Contra Costa and Solano's holiday fundraising program; and

WHEREAS, in the 2016 drive Contra Costa County employees raised \$109,859.37, bringing their cumulative total raised in 14 years to over \$1,254,000; and

WHEREAS, with the 2016 Counties Care Holiday Food Fight, Contra Costa County employees must congratulate Solano County employees for winning back the Big Apple and bragging rights for the year to come; and

WHEREAS, because departments and team leaders entered the annual competition with enthusiasm despite any personal or departmental challenges and stress, we salute the following stellar standouts in their leagues:

MINI DEPARTMENTS: CAO/COB/CCTV/LAFCO, NANCY YEE, TEAM LEADER; SMALL DEPARTMENTS: COUNTY COUNSEL, MICHIELLE MAURER, WANDA MCADOO, TEAM LEADERS:

MIDSIZED DEPARTMENTS: CHILD SUPPORT SERVICES, LOUISE BRITTON, TEAM LEADER; LARGE DEPARTMENTS: HEALTH SERVICES, TEAM LEADERS TOO NUMEROUS TO NAME; SUPERVISORS' OFFICES: DISTRICT V, FEDERAL GLOVER, SUPERVISOR AND LYNN REICHARD, TEAM LEADER; and

**WHEREAS**, all County departments and team leaders showed special ingenuity and energy by raising copious funds and earning kudos and various special awards as determined by Food Fight organizers, including:

GAYLE B. UILKEMA GOOD EGG: JOHN KOPCHIK, CONSERVATION & DEVELOPMENT 24 CARROT SALUTE: JOANNE BUENGER, INFORMATION TECHNOLOGY MOST IMPROVED: HUMAN RESOURCES, NANCY ZANDONELLA, LEADER "WEEBISCUIT" BARREL RACE: LIBRARY, SHANNON LADAGE, TEAM LEADER ADDITIONAL RECOGNITION: KRISTIE HIRSCHENBERGER HEART AND SOUL, CHIEF MECHANIC'S COMMENDATIONS, 100% (& PLUS) CLUB, ETC., and

**WHEREAS**, the combined efforts of employees of Contra Costa and Solano counties netted the Food Bank of Contra Costa and Solano a grand total of \$151,639.58 in 2016, providing more than 300,000 meals to approximately 190,000 "food-insecure" residents of both counties; and

WHEREAS, this annual effort has now raised over \$1.6 MILLION for the Food Bank since beginning in 2003

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Contra Costa County hereby applauds all of the tireless department team leaders and congratulates all participating Contra Costa County departments, department heads, and employees for their inspired and inspiring efforts on behalf of their community and those in need; and BE IT FURTHER RESOLVED that the Board of Supervisors of Contra Costa County thanks all County employees and residents who participated in the 2016 Counties Care Holiday Food Fight and urges all citizens of Contra Costa County and their communities to recognize and match the generosity and public spirit of County employees by giving generously to the Food Bank of Contra Costa and Solano regularly and often, including the 2017 Counties Care Holiday Food Fight.

	FEDERAL D. GLOVER Chair, District V Supervisor	
JOHN GIOIA District I Supervisor	CANDACE ANDERSEN District II Supervisor	
DIANE BURGIS	KAREN MITCHOFF	

# District III Supervisor

# District IV Supervisor

I hereby certify that this is a true and correct copy of an action taken
and entered on the minutes of the Board of Supervisors on the date
shown.

ATTESTED:	February	14, 2017		
David J. Tv	va,			
Ву:			_, Deputy	

From: Kathy Gallagher, Employment & Human Services Director

Date: February 14, 2017

Subject: Advisory Council on Aging Resignation



Contra Costa County

## **RECOMMENDATION(S):**

ACCEPT the resignation of Mr. Gerald Richards, DECLARE vacant the Advisory Council on Aging, Local Committee Hercules Seat and DIRECT the Clerk of the Board to post the vacancy as recommended by the Employment and Human Services Department Director.

#### **FISCAL IMPACT:**

Not applicable.

#### **BACKGROUND:**

Mr. Gerald Richards resigned December 31,2016. He was appointed to the Advisory Council on Aging, Local Committee, Hercules Seat, September 13, 2016. The seat appointment will expire September 30, 2018.

The Advisory Council on Aging (ACOA) provides a means for county-wide planning, cooperation, and coordination for individuals and groups interested in improving and developing services and opportunities for older residents of the County. The ACOA provides leadership and advocacy on behalf of older persons and serves as a channel of communication and information on aging.

## **CONSEQUENCE OF NEGATIVE ACTION:**

The Advisory Council on Aging may not be able to conduct routine business.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF	F CNTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/201 Clerks Notes:	17 APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Elaine Burres, 313-1717	ATTESTED: February 14, 2017 David J. Twa, County Administrator and Clerk of the Board of Supervisors
K. C. Marin I	By: , Deputy

cc: K Cyr, M Wilhelm

# CHILDREN'S IMPACT STATEMENT:

Not applicable.

From: Kathy Gallagher, Employment & Human Services Director

Date: February 14, 2017

Subject: In-Home Supportive Services Public Authority Advisory Committee Resignation



Contra Costa County

## **RECOMMENDATION(S):**

ACCEPT the resignation of Cathy Cratty, DECLARE a vacancy in the Consumer 60 or Older, Seat 2 on the In-Home Supportive Services Public Authority Committee, and DIRECT the Clerk of the Board to post the vacancy as recommended by the Employment and Human Services Director.

#### **FISCAL IMPACT:**

Not applicable.

#### **BACKGROUND:**

The Contra Costa County Board of Supervisors established the In-Home Supportive Services (IHSS) Public Authority Advisory Committee in March 1998. Its purpose is to serve in an advisory capacity to the Public Authority Governing Board, Contra Costa County Board of Supervisors, Public Authority staff and administrators of In-Home Supportive Services.

Ms.Cathy Cratty has submitted her resignation from the IHSS Public Authority Advisory Committee, Consumer 60 or Older, Seat 2. Her term expires March 6, 2020.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

The IHSS Public Authority Advisory Committee will be unable to fill the seat vacated by Ms. Cratty.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF	F CNTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/201 Clerks Notes:	7 APPROVED AS RECOMMENDED OTHER
Cicias ivotes.	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Elaine Burres, 313-1717	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

# CHILDREN'S IMPACT STATEMENT:

Not applicable.

SLAT OF THE STATE OF THE STATE

Contra Costa County

To: Board of Supervisors

From: Diane Burgis, District III Supervisor

Date: February 14, 2017

Subject: APPOINTMENT TO EMERGENCY MEDICAL CARE COMMITTEE

#### **RECOMMENDATION(S):**

APPOINT Lily-Ann Lidji to the District 3 seat on the Emergency Medical Care Committee to a term expiring September 30, 2018, as recommended by Supervisor Diane Burgis.

Lily-Ann Lidji Discovery Bay, CA 94505

### **FISCAL IMPACT:**

None.

#### **BACKGROUND:**

The duties of the Emergency Medical Care Committee (EMCC) are specified in the California Health and Safety Code Section 1797.274 and 1797.276. Their duties are to review the operations of each of the following at least annually:

1. Ambulance services operating within the county. 2. Emergency medical care offered within the county, including programs for training large numbers of people in cardiopulmonary resuscitation and lifesaving first air techniques. 3. First aid practices in the county. Additionally, the EMCC shall, at least annually, report to the Authority, and the local EMS Agency its observations and recommendations relative to its review of the ambulance services emergency medical care, and first aid practices, and programs for training people in cardiopulmonary resuscitation and lifesaving first aid techniques, and public participation in such programs in the county. The EMCC shall

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [	APPROVED AS RECOMMENDED OTHER
CIEIRS NOTES.	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Lea Castleberry, (925) 252-4500	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

## BACKGROUND: (CONT'D)

submit its observations and recommendations to the County Board of Supervisors which is serves and shall act in an advisory capacity to the County Board of Supervisors, and to the County EMS Agency, on all matters relating to emergency medical services as directed by the Board.

The Contra Costa County Board of Supervisors first established the EMCC in 1968 (Resolution 68/404) and reconfirmed the EMCC in 1980 (Resolution 80/1019). The Board abolished the EMCC (Resolution 94/343), recognizing that the Health Services Director may wish to reconstitute such a committee. The Board reinstated the EMCC as a Board advisory committee at its February 24, 1998 meeting, per SD2. The membership of the EMCC was prescribed per C.30, June 9, 1998. Bylaws adopted April 24, 2001, per C.190.

The EMCC consists of five consumer representatives, one from each of the five supervisorial districts, and representatives of the following groups and organizations:

American Heart Association\*American Red Cross\*California Highway Patrol\*Contra Costa Ambulance Provider\*Air Medical Transportation Provider\*Emergency Department Physicians\*Emergency Nurses Association\*Contra Costa Fire Chiefs' Association\*Field Paramedics (1 private/1public)\*County Health Services\*Hospital Council-Bay Area Division\*Contra Costa EMS Training Institution\*County Office of Emergency Services\*Contra Costa Police Chiefs' Association\*Contra Costa Public Managers' Association\*Sheriff-Coroner Communication Division\*Alameda-Contra Costa Medical Association\*Base Hospital\*Trauma Center\*Community Awareness and Emergency Response (CAER)\*Communications Center Managers Association\*EMS Director

Applications were accepted and the recommendation to appoint the above individual was then determined.

From: Diane Burgis, District III Supervisor

Date: February 14, 2017

Subject: REAPPOINTMENT TO DISCOVERY BAY P-6



Contra Costa County

## **RECOMMENDATION(S):**

REAPPOINT the following individuals to the Discovery Bay P-6 Citizen Advisory Committee to a term expiring December 31, 2018, as recommended by Supervisor Diane Burgis.

Appointee 2
Bob Mankin

Discovery Bay, CA 94505

Appointee 4 Gaylin Zeigler Discovery Bay, CA 94505

## **FISCAL IMPACT:**

None.

## **BACKGROUND:**

The Appointee 2 and 4 seats expired December 31, 2016. Applications were accepted and the recommendation to reappoint the above individuals was then determined.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b> [	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Lea Castleberry, (925) 252-4500	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

SLAL OUT

Contra Costa County

To: Board of Supervisors

From: Candace Andersen, District II Supervisor

cc: District 2 Supervisor, Maddy Book, CSA P-5 CAC, Appointees

Date: February 14, 2017

Subject: APPOINTMENTS TO THE COUNTY SERVICE AREA P-5 CITIZENS ADVISORY COMMITTEE

## **RECOMMENDATION(S):**

REAPPOINT the following people to the following seats of the County Service Area P-5 Citizens Advisory Committee for a two-year term with an expiration date of December 31, 2018, as recommended by Supervisor Candace Andersen:

<b>✓</b> APPROVE		OTHER		
RECOMMENDATION OF CNTY ADMINISTRATOR COMMITTEE				
Action of Board On: 02/14/2017 APPROVED AS RECOMMENDED OTHER  Clerks Notes:				
VOTE OF SUPERVISORS	Supervisors on the date shown.	correct copy of an action taken and entered on the minutes of the Board of		
	ATTESTED: February 14,			
Contact: Jill Ray, 925-957-8860	David J. Twa, County Admin	istrator and Clerk of the Board of Supervisors		
	By: , Deputy			

#### RECOMMENDATION(S): (CONT'D)

Appointee 1 Gordon 'Nate' Ball Alamo, CA 94507

Appointee 5 Mark Cordone Alamo, CA 94507

Appointee 6 Jason Dudum Alamo, CA 94507

Appointee 7 Robert Besse Alamo, CA 94507

1st Alternate Linda Schultz Alamo, CA 94507

#### **FISCAL IMPACT:**

None.

#### BACKGROUND:

Established on April 18, 1972, by Resolution Number 72/257, the purpose of the County Service Area P-5 Citizen Advisory Committee is to act as a liaison between the citizens of the P-5 Police District and the Office of the Sheriff of Contra Costa County by: Advising the Board of Supervisors and the Office of the Sheriff of the community's needs and desires regarding police protection; Promoting public safety in the areas of home safety, traffic safety, vacation security and crime prevention through the neighborhood watch program; and maintaining oversight of expenditures of the public funds accruing in the P-5 Police District.

#### CONSEQUENCE OF NEGATIVE ACTION:

The seats will become vacant and the P-5 will not be able to hold meetings due to quorum issues.

SLAL WAR

Contra Costa County

To: Board of Supervisors

From: Candace Andersen, District II Supervisor

cc: District 2 Supervisor, Maddy Book, APSAC, Appointees

Date: February 14, 2017

Subject: APPOINTMENTS TO THE ALAMO POLICE SERVICES ADVISORY COMMITTEE

## **RECOMMENDATION(S):**

REAPPOINT the following individuals to the indicated seats on the Alamo Police Services Advisory Committee for a two-year term with an expiration date of December 31, 2018, as recommended by Supervisor Candace Andersen:

Appointee 2 William Nelson Alamo, CA 94507 Appointee 6 David Dolter Alamo, CA 94507

Appointee 8 Karen McPherson Alamo, CA 94507

1st Alternate Joe Rubay

<b>✓</b> APPROVE		OTHER	
RECOMMENDATION O	F CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE	
Action of Board On: 02/14/20 Clerks Notes:	17 APPROVED AS REC	COMMENDED OTHER	
VOTE OF SUPERVISORS	Supervisors on the date shown.	correct copy of an action taken and entered on the minutes of the Board of	
Contact: Jill Ray, 925-957-8860	ATTESTED: February 14, David J. Twa, County Admir	2017 uistrator and Clerk of the Board of Supervisors	
	By: , Deputy		

#### RECOMMENDATION(S): (CONT'D)

Alamo, CA 94507

#### FISCAL IMPACT:

None.

#### BACKGROUND:

Established on November 18, 1969, by Board Resolution 69/765, the purpose of the County Service Area P-2B Citizens Advisory Committee is to advise the Board of Supervisors and the Sheriff's Department on the needs of the Alamo community for extended police services which shall include, but not be limited to, enforcement of the State Vehicle Code, crime prevention, and litter control. On March 19, 2013, the Board of Supervisors approved a Board Order that retitled the County Service Area P-2B Citizens Advisory Committee to the "Alamo Police Services Advisory Committee". Alamo Police Services Advisory Committee is comprised of nine regular members and two alternates who each serve a two year term.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

The committee will have a difficult time attaining a quorum.

From: Federal D. Glover, District V Supervisor

Date: February 14, 2017

Subject: Re-Appoint Members of the Rodeo Municipal Advisory Council



Contra Costa County

## **RECOMMENDATION(S):**

RE-APPOINT the following individuals to the Rodeo Municipal Advisory Council with terms to expire December 31, 2020.

Anthony Hodge Seat 1 Deborah Drake Seat 2 Clover Mahn Seat 3 Theresa Foglio Seat 4

### **FISCAL IMPACT:**

None.

## **BACKGROUND:**

The Council shall advise the Board on: Services which are or may be provided to the Rodeo community by the County or other local government agencies. Such services include, but are not limited to public health, safety, welfare, public works and planning.

## **CONSEQUENCE OF NEGATIVE ACTION:**

The positions would be vacant.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [	APPROVED AS RECOMMENDED OTHER
CIEIRS NOIES.	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Vincent Manuel (925) 427-8138	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

From: Federal D. Glover, District V Supervisor

Date: February 14, 2017

Subject: Re-Appoint Members of the Pacheco Municipal Advisory Council



Contra Costa County

#### **RECOMMENDATION(S):**

RE-APPOINT the following individuals to the Pacheco Municipal Advisory Council with a term to expire December 31, 2020.

Kay Perry-Thayer, Seat 1 Nam Trinh, Seat 3 Olivier Fontana, Seat 4 Shawn Garcia, Seat 5

## **FISCAL IMPACT:**

None.

#### **BACKGROUND:**

The purpose of the Pacheco Municipal Advisory Council is to advise the Board on services which are or may be provided to the community by the County or other government agencies, feasibility of organizing the existing special districts serving the community in order to provide public services such as, but not limited to, water, sewer, fire and park and recreation; and to represent the community before LAFCO and the County Planning Commission and the Zoning Administrator, and to provide input and reports to the Board, County staff or any County hearing body on issues of concern to the Pacheco community.

## **CONSEQUENCE OF NEGATIVE ACTION:**

The positions would remain vacant.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Vincent Manuel (925) 427-8138	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

From: Federal D. Glover, District V Supervisor

Date: February 14, 2017

Subject: Re-Appoint Members of the Bay Point Municipal Advisory Council



Contra Costa County

## **RECOMMENDATION(S):**

RE-APPOINT the following individuals to the Bay Point Municipal Advisory Council with terms to expire December 31, 2020.

Trina Hudson, Seat 1 Eva Garcia, Seat 2 Lupe Lopez Garcia, Seat 3 Vicki Zumwalt, Seat 4 Debra Mason, Seat 5 Sterling Stevenson, Seat 6 Charles Tremaine, Seat 7

## **FISCAL IMPACT:**

None.

#### **BACKGROUND:**

The Council shall advise the Board on: Services which are or may be provided to the Bay Point community by the County or other local government agencies. Such services include, but are not limited to public health, safety, welfare, public works and planning. The feasibility of organizing the existing special districts serving the Bay Point community in order to more efficiently provide public services such as, but not limited to water, sewer, fire and parks

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [ Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.  ATTESTED: February 14, 2017
Contact: Vincent Manuel (925) 427-8138	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

## BACKGROUND: (CONT'D)

and recreation. The council may also represent the Bay Point community before the Local Agency Formation Commission on proposed boundary changes affecting the community, represent the Bay Point community before the County Planning Commissions and the Zoning Administrator on land use and other planning matters affecting the community. In this regard the Council shall cooperate with other planning advisory bodies in the Bay Point area in order to avoid duplication and delay in the planning process. Provide input and reports to the Board, County staff or any County hearing body on issues of concern to the Bay Point community.

## **CONSEQUENCE OF NEGATIVE ACTION:**

The positions would remain vacant.

**Board of Supervisors** 

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

To:

Subject: Appropriation Adjustment No. 5051



Contra Costa County

#### **RECOMMENDATION(S):**

Approve Appropriation and Revenue Adjustment No. 5051 authorizing increased appropriations for capital assets and revenue for the purchase of one (1) vehicle, in an amount not to exceed \$20,000, for Public Health's Tuberculosis (TB) Program which will be utilized to implement the Directly Observed Therapy TB services in Contra Costa County.

#### **FISCAL IMPACT:**

No impact on the General Fund. This action increases appropriation by \$20,000 (fully offset by revenue) for capital equipment purchase and the reduction of operating costs (employee mileage reimbursement).

#### **BACKGROUND:**

The Public Health's Tuberculosis Program currently employs Disease Intervention Technicians (DIT's) to ensure patients with TB are taking their medications in what is called 'Directly Observed Therapy' (DOT). The Disease Intervention Technicians drive to the patients and physically observe them taking their TB medications. Currently the TB program has two (2) County vehicles. However, on a daily basis three DIT's are doing the DOT work. Our practice is to rotate the use of the vehicles

<b>✓</b> APPROVE	OTHER
<b>▶</b> RECOMMENDATION OF CM	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Dan Peddycord, 925-313-6712	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
TICH MANUEL CLID	

cc: Tasha Scott, M Wilhelm, Clarissa Domen

#### BACKGROUND: (CONT'D)

between the DIT's so every week there is at least one DIT who drives their own vehicle and is reimbursed for mileage. The employee mileage reimbursement expenses for FY 15-16 were \$7,000 and for 7/1/16 - 9/30/16 FY 16-17 year-to-date they total \$3,243. These operating expenses should be reduced with the purchase of an additional vehicle. The cost of a new vehicle is less than \$20,000 and it is anticipated that the savings in mileage reimbursement annually will more than cover that cost of the new vehicle over the life of the vehicle. Additionally, the accumulated depreciation of the new vehicle will be utilized at the time a replacement vehicle is needed.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If this purchase is not approved, the Public Health TB Program will continue to incur higher than necessary operating costs (employee mileage reimbursements) in implementing the Directly Observed Therapy program.

#### **ATTACHMENTS**

TC24/27 No. 5051 HSD

## CONTRA COSTA COUNTY ESTIMATED REVENUE ADJUSTMENT/ ALLOCATION ADJUSTMENT

(M8134 Rev 05/09)

AUDITOR-CONTROLLER USE ONLY	
FINAL APPROVAL NEEDED BY:	
X BOARD OF SUPERVISORS	
COUNTY ADMINISTRATOR	
AUDITOR-CONTROLLER	

	ALLC	DCATION ADJUSTMENT		COUNTY ADMINISTRATOR		
T/C 24				AUDITOR-COM	NTROLLER	
ACCOUNT	CODING	DEPARTMENT: Health Svcs-Pub	olic Health #0450			
ORGANIZATION	REVENUE ACCOUNT	REVENUE ACCOUNT	DESCRIPTION	INCREASE	<decrease></decrease>	
5750	9325	Misc state aid for health		20,000	00	
				-		
		ar I				
				,		
	2			:		
	APPR	OVED	TOTALS  EXPLANATION OF REQU	20,000 JEST:	00]	
AUDITOR-CONTR		- ,	ou d'aument de la care			
BY: 98	200_	DATE 2/6/17	To add funds to Public He	ealth for purchase of vehic	le for TB program.	
COUNTY ADMINISTRATOR:  BY: End Mondoga DATE 78/17						
BOARD OF SUPERVISORS:						
YES:						
NO:				٦٥.		
			SIGNATU	COO/CFO	17/13/16	
		i		,	400 <u>5051</u>	
BY:		DATE		JOURNAL NO.		

## **CONTRA COSTA COUNTY** APPROPRIATION ADJUSTMENT /

(M129 Rev 05/09)

AUDITOR-CONTROLLER USE ONLY	
FINAL APPROVAL NEEDED BY:	
X BOARD OF SUPERVISORS	
COUNTY ADMINISTRATOR	
ALIDITOR-CONTROLL ER	

	AFFRO	FRIATION ADJUSTIVIENT	1	X BOARD OF SUPERVISORS			
	ALLC	CATION ADJUSTMENT	COUNTY ADMINISTRATOR				
		T/C 27	AUDITOR-CONTI	DOLL ED			
		1		Addition-conti	ROLLER		
ACCOUNT	CODING	DEPARTMENT : Health Svcs-Pul	blic Health #0450				
0001117171011	EXPENDITURE	- 4	31				
ORGANIZATION	SUB-ACCOUNT	EXPENDITURE ACCOUN	NT DESCRIPTION	<decrease></decrease>	INCREASE		
				,			
5750	4953	Autos and trucks			20,000	00	
0,00	1500	ratio and tracks			20,000	00	
		3					
	a						
		-					
		:					
	4						
			TOTALS		20,000		
	APPR	OVED	EXPLANATION OF REQU	JEST:	20,000	00	
AUDITOR-GONTR			-				
AUDITOR-GOINTR	OLLEN.	. L. 1					
BY:	5	DATE2/6/17	To add funds to Public He	ealth for purchase of vehicle	for TB program.		
COUNTY ADMINIS		- 1 T					
BY: End 1	hendoza	DATE 2/8/17					
BOARD OF SUPER	RVISORS:						
YES:							
NO.				_			
NO:			DALU				
			1 XX 7000		12/2/16		
			SIGNATU	COO/CFO  JRE TITLE	12/13/16 DATE		
			NO 14		° 5051		
BY:		DATE	1	APPROPRIATION APO	0		

## CONTRA COSTA COUNTY ESTIMATED REVENUE ADJUSTMENT/ ALLOCATION ADJUSTMENT

(M8134 Rev 05/09)

AUDITOR-CONTROLLER USE ONLY	
FINAL APPROVAL NEEDED BY	
X BOARD OF SUPERVISORS	
COUNTY ADMINISTRATOR	
AUDITOR-CONTROLLER	

ALLOCATION ADJUSTMENT  T/C 24				COUNTY ADMI			
110 24				AUDITOR-CON	ITROL	LER	
ACCOUNT		DEPARTMENT: Health Svcs-Pub	lic Health #0450				
ORGANIZATION	REVENUE ACCOUNT	REVENUE ACCOUNT	DESCRIPTION	INCREASE	-	<decrease></decrease>	
4284	9951	Reimbursements-Gov/Gov		20,000	00		
	APPR	OVED	TOTALS EXPLANATION OF REQU	20,000	00		
BY: 2  COUNTY ADMINIS	OLLER:	DATE 2/8/17	To transfer appropriation to transfer appropriation to the transfe		or purc	chase of	
BOARD OF SUPER		DATE 9/8/1					
YES:				<b>\</b>			
NO:			SIGNATU	COO/CFC	)	12/13/16	
					A00	5051	
BY:		DATE	1	JOURNAL NO.	-		

# CONTRA COSTA COUNTY APPROPRIATION ADJUSTMENT / ALLOCATION ADJUSTMENT

(M129 Rev 05/09)

AUDITOR-CONTROLLER USE ONLY	
FINAL APPROVAL NEEDED BY:	_
X BOARD OF SUPERVISORS	
COUNTY ADMINISTRATOR	
<del></del>	

T/C 27			ay an an	AUDITOR-COM			
ACCOUN	T CODING	DEPARTMENT : Health Svcs-Pub	olic Health #0450		_	1	
ORGANIZATION	EXPENDITURE	EXPENDITURE ACCOUN	T DESCRIPTION	<decrease></decrease>	Ÿ.	INCREASE	
5750 5750 4284	5011 4953 4953	Reimbursements-Gov/Gov Autos and trucks Autos and trucks	,	20,000	00	20,000 20,000	00
		-		22.222	20		
	APPR	OVED	TOTALS	20,000 JEST:	00	40,000	00
AUDITOR-CONTE BY: COUNTY ADMINI	10po	DATE 2/6/17	To transfer appropriation vehicle for TB program.	to General Service Fleet 1	for pu	rchase of	
BY: ELLA	M en desco	L DATE 2/8/17	venice for 18 program.				
BOARD OF SUPE	RVISORS:						
YES:							
NO:			SIGNATION			12/13/10 EAL	
BY:		DATE	1	APPROPRIATION A ADJ. JOURNAL NO.	P00	5051	

SLAL OF SLAL O

Contra Costa County

To: Board of Supervisors

From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

Subject: Cancel one (1) vacant Sheriff's Crime Analyst position and Add one (1) Sheriff's Specialist position to the

Investigations Division

#### **RECOMMENDATION(S):**

ADOPT Position Adjustment Resolution No. 21997 to cancel one (1) Sheriff's Crime Analyst (64VA) (represented) vacant position number 11964 at salary plan and grade ZB5 1510 (\$5,162 - \$6,275) and add one (1) Sheriff's Specialist (64VE) (represented) position at salary plan and grade VN5 1285 (\$4,252 - \$5,298) in the Sheriff's Office - Investigations Division.

#### **FISCAL IMPACT:**

The Office of the Sheriff will have an annual cost savings of \$21,082 to the department's general fund, and an annual retirement savings of \$3,840.

#### **BACKGROUND:**

The Office of the Sheriff recently purchased a new crime analysis software system that will greatly improve the efficiency of the Crime Analyst Unit. The Investigations Unit currently has one Crime Analyst vacancy and is requesting to cancel the position and add a Sheriff's

<b>✓</b> APPROVE		OTHER
<b>№</b> RECOMMENDATION OF C	ENTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board
	ATTESTED: February	14, 2017
Contact: Lori Brown (925) 335-1552	David J. Twa, County Adr	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	
cc: Robyn Hanson		

#### BACKGROUND: (CONT'D)

Specialist position. There is a significant backlog of cases due to the lack of administrative support. Administrative task include accessing computer databases, gathering data, analyzing AP sheet information, and delivering cases to the District Attorney's Office. Consequently, Detectives are performing many of these task. Approving this change in position structure within the Division will permit the Sheriff's Specialist to perform the administrative duties that are currently being completed by Detectives, allowing them to spend time investigating cases.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

Failure to approve this request may result in a continued increase in case backlogs, poor use of Detectives professional time, which affects their ability to investigate cases in a timely manner, and may impact the safety and security of the citizens of Contra Costa County.

#### **CHILDREN'S IMPACT STATEMENT:**

No impact.

**ATTACHMENTS** 

P300 No. 21997

## **POSITION ADJUSTMENT REQUEST**

NO. <u>21997</u> DATE <u>10/27/2016</u>

Department No./

Department Office of the Sheriff Budget	t Unit No. <u>0255</u> Org I	No. <u>2535</u> Agenc	y No. <u>25</u>
Action Requested: Cancel one (1) Sheriff's Crime Analyst (64V/	A) position (11964), <i>A</i>	Add one (1) Sher	iff's Specialist (64VE)
position to the Investigations Division- Field Operations Bureau.			
	•	Effective Date: 1:	
Classification Questionnaire attached: Yes \( \subseteq \text{No } \text{\$\subseteq} \) / Cost is	s within Department's	budget: Yes 🖂	No 🗌
Total One-Time Costs (non-salary) associated with request:			
Estimated total cost adjustment (salary / benefits / one time):			
Total annual cost (\$21,082.00)	Net County Cost (S	\$21,082.00 <u>)</u>	
Total this FY (\$10,541.00)	N.C.C. this FY (S	\$10,541.00 <u>)</u>	
SOURCE OF FUNDING TO OFFSET ADJUSTMENT Savings to	to the Office of the Sh	neriff General Fu	<u>nd</u>
Department must initiate necessary adjustment and submit to CAO.			
Use additional sheet for further explanations or comments.		Mary Ja	ane Robb
		(for) Depa	rtment Head
		(111) = 1	
REVIEWED BY CAO AND RELEASED TO HUMAN RESOURC	ES DEPARTMENT		
	Tlmothy M. Ev	well	11/28/2016
	Deputy County Admi	nistrator	Date
HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS Cancel one Sheriff's Crime Analyst (64VA) vacant position (1196	64) and add one She		TE <u>1/31/2017</u> 4VE) position.
Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Base	sic / Exempt salary schedule.		
Effective:	Tanya Williams		1/31/2017
(Date)	ranya williams	•	1/31/2017
(f	or) Director of Huma	n Resources	Date
COUNTY ADMINISTRATOR RECOMMENDATION:		DATE	2/8/2017
<ul> <li>Approve Recommendation of Director of Human Resources</li> <li>Disapprove Recommendation of Director of Human Resource</li> <li>Other:</li> </ul>		Timothy	M. Ewell
Other.		(for) Cou	nty Administrator
BOARD OF SUPERVISORS ACTION:	David .	J. Twa, Clerk of t	he Board of Supervisors
Adjustment is APPROVED   DISAPPROVED		and Count	y Administrator
DATE	ВҮ		
APPROVAL OF THIS ADJUSTMENT CONSTITUTES A	PERSONNEL / SALA	ARY RESOLUTION	ON AMENDMENT
POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN Adjust class(es) / position(s) as follows:	RESOURCES DEPAR	TMENT FOLLOWI	NG BOARD ACTION

P300 (M347) Rev 3/15/01

## **REQUEST FOR PROJECT POSITIONS**

De	partment No. xxxxxxx
1.	Project Positions Requested:
2.	Explain Specific Duties of Position(s)
3.	Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)
4.	Duration of the Project: Start Date End Date Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.
5.	Project Annual Cost
	a. Salary & Benefits Costs:  b. Support Costs:  (services, supplies, equipment, etc.)
	c. Less revenue or expenditure: d. Net cost to General or other fund:
6.	Briefly explain the consequences of not filling the project position(s) in terms of: a. potential future costs b. legal implications c. financial implications
7.	Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.
8.	Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted
9.	How will the project position(s) be filled?  a. Competitive examination(s)  b. Existing employment list(s) Which one(s)?  c. Direct appointment of:  1. Merit System employee who will be placed on leave from current job  2. Non-County employee
	Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY

SEAL OF STANFORM O

Contra Costa County

To: Board of Supervisors

From: Melinda Self, Child Support Services Director

Date: February 14, 2017

Subject: Establish the classification of Child Support Assistant Supervisor and Reclassify Clerical Supervisor Incumbents in

Dept. of Child Support Services

#### **RECOMMENDATION(S):**

ADOPT Position Adjustment Resolution No. 22027 to establish the classification of Child Support Assistant Supervisor (JJHJ) (represented) at salary plan and grade K65 1483 (\$5,026 - \$6,109) and reclassify two (2) Clerical Supervisors (JWHF) (represented) position numbers 3548 and 3756 and the incumbents to the newly established classification in the Department of Child Support Services.

#### **FISCAL IMPACT:**

This action will result in an increase in departmental cost of approximately \$1,115 per employee per month or an annual cost of \$13,379 (including \$274 in pension costs) per employee per year. The Department of Child Support Services is fully funded by 66% Federal and 34% State grant funds. There is zero cost to the County General Fund.

#### **BACKGROUND:**

cc: Adrienne Todd

A desk audit of the job duties of the two incumbent Clerical Supervisors was performed. The duties of these incumbents have been determined to be the supervision of specialized

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 APPROVED AS RECOMMENDED OTHER  Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Adrienne Todd, (925) 313-4454	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### BACKGROUND: (CONT'D)

clerical teams, and thus requires a wider scope of knowledge than what is normally required to supervise general clerical work. The recommendation was to establish a new classification to properly define the duties and classify the staff performing the job.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If this action is not approved, the current classification does not include the needed specialized knowledge or allow for a higher level of responsibility to be taken by incumbents.

#### **CHILDREN'S IMPACT STATEMENT:**

## **ATTACHMENTS**

AIR 27872 P300 22027 Establish CSA Supv

## **POSITION ADJUSTMENT REQUEST**

NO. 22027 DATE 11/10/2016

	artment No./	g No. <u>1780</u> Agency	No. A40
Action Requested: Establish classification of Child Support A \$6,109) and reclassify two (2) incumbent Clerical Supervisors Support Services. Classification study completed by the Hum	ssistant Supervisor a (JWHF) positions # nan Resources-Perso	it salary plan and gra 3548 and #3756 in th	de K65 1483 (\$5,026- e Department of Child
Classification Constitution attacked Van M. Na D. / Con	•		
Classification Questionnaire attached: Yes No / Cos	•	it's budget: Yes 🖂	No 🗌
Total One-Time Costs (non-salary) associated with request:			
Estimated total cost adjustment (salary / benefits / one time):		•	
Total annual cost 13378	Net County Cost		
Total this FY \$5,574	N.C.C. this FY	<u>0</u>	
SOURCE OF FUNDING TO OFFSET ADJUSTMENT 100%	State and Federal		
Department must initiate necessary adjustment and submit to CAO. Use additional sheet for further explanations or comments.			
		Adrienne	e Todd
		(for) Departi	ment Head
REVIEWED BY CAO AND RELEASED TO HUMAN RESOUR	RCES DEPARTMEN	Т	
	Kevin J. Co	rrigan	02/02/17
	Deputy County Ad	ministrator	Date
HUMAN RESOURCES DEPARTMENT RECOMMENDATION Establish classification of Child Support Assistant Supervisor reclassify two (2) incumbent Clerical Supervisors (JWHF) pos Services.	at salary plan and gr itions #3548 and #37	ade K65 1483 (\$5,02 '56 in the Departmen	
Amend Resolution 71/17 establishing positions and resolutions allocating classes to the Effective: Day following Board Action.	Basic / Exempt salary schedu	ıle.	
	LaShonda Smith, HR	Consultant	2/2/2017
	(for) Director of Hur	man Resources	Date
COUNTY ADMINISTRATOR RECOMMENDATION:  Approve Recommendation of Director of Human Resource Disapprove Recommendation of Director of Human Resource Other:		DATE	
		(for) Count	y Administrator
BOARD OF SUPERVISORS ACTION: Adjustment is APPROVED DISAPPROVED	Davi		e Board of Supervisors Administrator
DATE	BY		
APPROVAL OF THIS ADJUSTMENT CONSTITUTES	A PERSONNEL / SA	ALARY RESOLUTION	N AMENDMENT
POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMA Adjust class(es) / position(s) as follows:	AN RESOURCES DEPA	ARTMENT FOLLOWIN	G BOARD ACTION

## **REQUEST FOR PROJECT POSITIONS**

De	partment No
1.	Project Positions Requested:
2.	Explain Specific Duties of Position(s)
3.	Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)
4.	Duration of the Project: Start Date End Date Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.
5.	Project Annual Cost
	a. Salary & Benefits Costs:  b. Support Costs:  (services, supplies, equipment, etc.)
	c. Less revenue or expenditure: d. Net cost to General or other fund:
6.	Briefly explain the consequences of not filling the project position(s) in terms of: a. potential future costs b. legal implications c. financial implications d. political implications e. organizational implications c. financial implications
7.	Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.
8.	Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted
9.	How will the project position(s) be filled?  a. Competitive examination(s)  b. Existing employment list(s) Which one(s)?  c. Direct appointment of:  1. Merit System employee who will be placed on leave from current job  2. Non-County employee
	Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY

SEAL OF THE SEAL O

Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services

Date: February 14, 2017

Subject: Add one permanent full-time Mental Health Community Support Worker II in the Health Services Department

#### **RECOMMENDATION(S):**

Adopt Position Adjustment Resolution No. 22028 to add one permanent full-time Mental Health Community Support Worker II (VQVB) at salary level TC5-0968 (\$3,018 - \$3,669) in the Health Services Department. (Represented)

#### **FISCAL IMPACT:**

Upon approval, there is an annual cost of approximately \$77,857.63, which includes estimated pension costs of \$15,630.54. The cost will be entirely offset with budgeted General Funds. (100% General Fund)

#### **BACKGROUND:**

The Health Services Department is requesting to add a Mental Health Community Support Worker II for its Conservatorship/Guardianship program. Conservatorship/Guardianship program recently underwent an audit from Office of the Inspector General Social Security Administration. One of the recommendations from this audit was a change in how the program processes and files for social security benefits on behalf of the program's clients. The Department has determined a full time Mental Health Community Support Worker II would be the most appropriate classification to perform the filing portion duties within the process and fulfill the needs of this court mandated program.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNT	ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED  OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.  ATTESTED: February 14, 2017
Contact: Melissa Carofanello - 925-957-5248	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

## **CONSEQUENCE OF NEGATIVE ACTION:**

If this action is not approved, the Conservatorship/Guardianship Program of the Health Services Department will not have adequate staffing to meet the demand and volume of client care for those we serve.

## **ATTACHMENTS**

P300 No. 22028 HSD

## **POSITION ADJUSTMENT REQUEST**

NO. <u>22028</u> DATE <u>1/11/2017</u>

Department No./
Budget Unit No. 0451 Org No. 0451 Agency No. A18

Department <u>HEALTH SERVICES</u> Budge	et Unit No. <u>0451</u> O	rg No. <u>0451</u> Agency	y No. <u>A18</u>
Action Requested: Add one full time Mental Health Community Conservatorship/Guardianship Program.	Support Worker II	(VQVB) position in	the Health Services -
	Propose	d Effective Date: 2/	15/2017
Classification Questionnaire attached: Yes $\ \square$ No $\ \boxtimes$ / Cost	is within Departme	nt's budget: Yes 🗌	No 🖂
Total One-Time Costs (non-salary) associated with request: \$0	<u>).00</u>		
Estimated total cost adjustment (salary / benefits / one time):			
Total annual cost \$77,857.63	Net County Cost	\$77,857.63	
Total this FY \$38,928.81	N.C.C. this FY	\$38,928.81	
SOURCE OF FUNDING TO OFFSET ADJUSTMENT 100% G	eneral Fund alloca	tion shift	
Department must initiate necessary adjustment and submit to CAO. Use additional sheet for further explanations or comments.			
		Melissa C	Carofanello
		(for) Depar	tment Head
REVIEWED BY CAO AND RELEASED TO HUMAN RESOURCE	CES DEPARTMEN	IT	
	Enid Men	doza	2/8/2017
	Deputy County Ad	dministrator	Date
HUMAN RESOURCES DEPARTMENT RECOMMENDATIONS Exempt from Human Resources review under delegated author		DAT	TE
Amend Resolution 71/17 establishing positions and resolutions allocating classes to the B Effective: Day following Board Action.  [(Date)	asic / Exempt salary sched	ule.	
	(for) Director of Hu	man Resources	Date
COUNTY ADMINISTRATOR RECOMMENDATION:  Approve Recommendation of Director of Human Resources		DATE	2/8/2017
Disapprove Recommendation of Director of Human Resources  Other: Approve as recommended by the department.		Enid M	endoza
	·	(for) Cour	nty Administrator
BOARD OF SUPERVISORS ACTION: Adjustment is APPROVED   DISAPPROVED	Dav		ne Board of Supervisors y Administrator
DATE	ВҮ		
APPROVAL OF THIS ADJUSTMENT CONSTITUTES A	PERSONNEL / S	ALARY RESOLUTIO	ON AMENDMENT
POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HUMAN Adjust class(es) / position(s) as follows:	RESOURCES DEP	ARTMENT FOLLOWII	NG BOARD ACTION

P300 (M347) Rev 3/15/01

## **REQUEST FOR PROJECT POSITIONS**

De	partment Date <u>2/8/2017</u> No
1.	Project Positions Requested:
2.	Explain Specific Duties of Position(s)
3.	Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)
4.	Duration of the Project: Start Date End Date Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.
5.	Project Annual Cost
	a. Salary & Benefits Costs:  b. Support Costs: (services, supplies, equipment, etc.)
	c. Less revenue or expenditure: d. Net cost to General or other fund:
6.	Briefly explain the consequences of not filling the project position(s) in terms of: a. potential future costs b. legal implications c. financial implications d. political implications e. organizational implications c. financial implications
7.	Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.
8.	Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted
9.	How will the project position(s) be filled?  a. Competitive examination(s)  b. Existing employment list(s) Which one(s)?  c. Direct appointment of:  1. Merit System employee who will be placed on leave from current job  2. Non-County employee
	Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY

SLAI ON STATE OF THE PARTY OF T

Contra Costa County

To: Board of Supervisors

From: Melinda Self, Child Support Services Director

Date: February 14, 2017

Subject: Add one Executive Secretary-Exempt position and cancel one vacant Executive Secretary-DCSS position in the

Department of Child Support Services

#### **RECOMMENDATION(S):**

ADOPT Position Adjustment Resolution No. 22026 to add one (1) Executive Secretary-Exempt (J3T5) (unrepresented) position at salary plan and grade B85 1445 (\$4,842-\$5,339) and cancel one (1) vacant full-time Executive Secretary-DCSS (J3TJ) (unrepresented) position at salary plan and grade B85 1445 (\$4,842-\$5,339) in the Department of Child Support Services.

#### FISCAL IMPACT:

There is no fiscal impact to this request.

#### **BACKGROUND:**

The Executive Secretary-DCSS position has been vacant for multiple years. With the appointment of a new Director of Child Support Services, there is need to recruit this position. Because of the highly confidential and sensitive nature of the work that will be performed in this assignment, this position is best classified as exempt. This action will allow greater flexibility in the recruitment and management of the position. Also, the usage of an exempt Executive Secretary position will be align with other County Department Heads that utilize that classification.

<b>✓</b> APPROVE	OTHER
✓ RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Adrienne Todd, (925) 313-4454	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc: Adrienne Todd

## **CONSEQUENCE OF NEGATIVE ACTION:**

Failure to approve this request will result in the position remaining a part of the merit classification system and recruitment and management efforts would be restricted by the merit classification system rules.

## **CHILDREN'S IMPACT STATEMENT:**

No impact.

**ATTACHMENTS** 

P300 No. 22026 DCSS

## **POSITION ADJUSTMENT REQUEST**

NO. <u>22026</u> DATE <u>1/26/2017</u>

Department No./
Budget Unit No. <u>0249</u> Org No. <u>1780</u> Agency No. <u>A40</u>

Action Requested: Add one (1) full-time Executive Secretary-Exempt (J3T5) (unrepresented) position at salary plan and grade B85 1445 (\$4,842-\$5,886) and cancel one (1) full-time Executive Secretary-DCSS (J3TJ) (unrepresented) position #12858 at salary plan and grade B85 1445 (\$4,842-\$5,886) in the Department of Child Support Services			
	Proposed	d Effective Date: 2	<u>2/15/2017</u>
Classification Questionnaire attached: Yes $\square$ No $\boxtimes$ / Classification Questionnaire attached: Yes $\square$ No $\square$ No $\square$ No $\square$ Yes $\square$ No $\square$ No $\square$ Yes $\square$ No $\square$ No $\square$ No $\square$ Yes $\square$ No $\square$	Cost is within Departmer	ıt's budget:Yes 🗵	] No 🗌
Total One-Time Costs (non-salary) associated with reques	st: <u>0</u>		
Estimated total cost adjustment (salary / benefits / one time	e):		
Total annual cost \$0.00	Net County Cost	\$0.00	
Total this FY \$0.00	N.C.C. this FY	\$0.00	
SOURCE OF FUNDING TO OFFSET ADJUSTMENT Full	ly funded by Federal/Sta		st to CGF
Department must initiate necessary adjustment and submit to CA	NO.		
Use additional sheet for further explanations or comments.		Adrienne	e Todd
		(for) Depa	artment Head
REVIEWED BY CAO AND RELEASED TO HUMAN RESC	DURCES DEPARTMENT	Γ	
	Kevin J. Co	rrigan	2/2/2017
	Deputy County Ad	ministrator	Date
HUMAN RESOURCES DEPARTMENT RECOMMENDAT Add one full-time Executive Secretary-Exempt (J3T5) (unr. \$5,339) and cancel one full-time vacant Executive Secreta B85 1445 (\$4,842-\$5,339) in the Department of Child Sup.	epresented) position at s ry-DCSS (J3TJ) (unrepr	salary plan and gra	
Amend Resolution 71/17 establishing positions and resolutions allocating classes to	the Basic / Exempt salary schedu	le.	
Effective: Day following Board Action.  [Date]	LaShonda Smith, HR	Consultant	2/2/2017
_	(for) Director of Hun	nan Resources	Date
COUNTY ADMINISTRATOR RECOMMENDATION:		DATE	02/08/2017
<ul> <li>☑ Approve Recommendation of Director of Human Reso</li> <li>☑ Disapprove Recommendation of Director of Human Reso</li> <li>☑ Other:</li> </ul>		Enid I	Mendoza
		(for) Cou	unty Administrator
BOARD OF SUPERVISORS ACTION: Adjustment is APPROVED DISAPPROVED	Davi		the Board of Supervisors ity Administrator
DATE	BY _		
APPROVAL OF THIS ADJUSTMENT CONSTITUT	ES A PERSONNEL / SA	LARY RESOLUT	ION AMENDMENT
POSITION ADJUSTMENT ACTION TO BE COMPLETED BY HU Adjust class(es) / position(s) as follows:	JMAN RESOURCES DEPA	ARTMENT FOLLOW	ING BOARD ACTION

Department Dept of Child Support Services

## **REQUEST FOR PROJECT POSITIONS**

De	partment Date <u>2/8/2017</u> No
1.	Project Positions Requested:
2.	Explain Specific Duties of Position(s)
3.	Name / Purpose of Project and Funding Source (do not use acronyms i.e. SB40 Project or SDSS Funds)
4.	Duration of the Project: Start Date End Date Is funding for a specified period of time (i.e. 2 years) or on a year-to-year basis? Please explain.
5.	Project Annual Cost
	a. Salary & Benefits Costs:  b. Support Costs: (services, supplies, equipment, etc.)
	c. Less revenue or expenditure: d. Net cost to General or other fund:
6.	Briefly explain the consequences of not filling the project position(s) in terms of: a. potential future costs b. legal implications c. financial implications d. political implications e. organizational implications c. financial implications
7.	Briefly describe the alternative approaches to delivering the services which you have considered. Indicate why these alternatives were not chosen.
8.	Departments requesting new project positions must submit an updated cost benefit analysis of each project position at the halfway point of the project duration. This report is to be submitted to the Human Resources Department, which will forward the report to the Board of Supervisors. Indicate the date that your cost / benefit analysis will be submitted
9.	How will the project position(s) be filled?  a. Competitive examination(s)  b. Existing employment list(s) Which one(s)?  c. Direct appointment of:  1. Merit System employee who will be placed on leave from current job  2. Non-County employee
	Provide a justification if filling position(s) by C1 or C2

USE ADDITIONAL PAPER IF NECESSARY

SLAL OF STATE OF STAT

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: Resolution Reallocating the Salary of Classifications in the Office of the County Administrator

#### **RECOMMENDATION(S):**

ADOPT Resolution No. 2017/58 reallocating the salary of the classifications of Management Analyst, Senior Management Analyst, Principal Management Analyst, Senior Deputy County Administrator, Assistant County Administrator and County Finance Director by removing two steps at the bottom of the salary range and adding two additional steps at the top of the salary range at five percent each, eliminating the outstanding performance pay steps for the classes of Senior Deputy County Administrator and Assistant County Administrator and abolishing the classifications of Deputy County Administrator and Principal Management Analyst – Project. The reallocation is effective March 1, 2017.

#### **FISCAL IMPACT:**

This action has a current year fiscal impact of approximately \$27,000. The maximum annual potential cost of this action would be approximately \$177,000, including \$42,000 in pension cost.

#### **BACKGROUND:**

A review was completed of the salaries of specific classifications within the County Administrator's Office, in the following comparable counties: Alameda, Marin, Napa, Sacramento, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma. On average, Contra Costa County's classifications were 29% behind those of these comparable counties. It is recommended that the classes be reallocated on the Salary Schedule to add two steps at the top of each range at 5% each. With this reallocation, the classifications will continue to be below the median salary of comparable counties.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNTY ADMIN	NISTRATOR COMMITTEE
Action of Board On: 02/14/2017 APPRO	OVED AS RECOMMENDED OTHER
CICIAS INOICS.	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Dianne Dinsmore, Human Resources Director 335-1766	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
cc: Dianne Dinsmore, Human Resources Director	

#### BACKGROUND: (CONT'D)

>

The attached resolution will reallocate the salary of the classifications of Management Analyst, Senior Management Analyst, Principal Management Analyst, Senior Deputy County Administrator, Assistant County Administrator and County Finance Director by removing the first two salary steps of each classification, eliminating existing performance pay steps, and adding two salary steps to the top of the salary range of each classification. The action also provides for movement of employees to the next higher step in their range (5% increase) effective March 1, 2017.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

Without this modification, the County would continue to experience difficulty attracting and retaining candidates and may be detrimentally impacted by the loss of highly-trained personnel.

#### **ATTACHMENTS**

Resolution No. 2017/58

#### THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	N SEAL
NO:	
ABSENT:	
ABSTAIN:	
RECUSE:	COUNT

#### Resolution No. 2017/58

In The Matter Of: Reallocating the salary of the classifications of Management Analyst, Senior Management Analyst, Principal Management Analyst, Senior Deputy County Administrator, Assistant County Administrator and County Finance Director by removing two steps at the bottom of the salary range and adding two additional steps at the top of the salary range at five percent each, eliminating the outstanding performance pay steps for the classes of Senior Deputy County Administrator and Assistant County Administrator and abolishing the classifications of Deputy County Administrator and Principal Management Analyst – Project

WHEREAS, the County Administrator's Office and the Human Resources Department recognized a need to reallocate the salary of the classifications of Management Analyst, Senior Management Analyst, Principal Management Analyst, Senior Deputy County Administrator, Assistant County Administrator and County Finance Director, by removing the first two salary steps of each classification, eliminating existing performance pay steps, and adding two salary steps to the top of the salary range of each classification; and

**WHEREAS**, by removing the first two salary steps of each classification and adding two salary steps to the top of the salary range of each classification, the salary range is more marketable;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Contra Costa County:

- 1. **ABOLISH** outstanding performance pay steps for the classifications of Assistant County Administrator (ADB4) and Senior Deputy County Administrator (ADDH) in Resolution Nos. 94/576 and 99/657 and convert the steps to merit steps effective March 1, 2017;
- 2. **ABOLISH** the classification of Deputy County Administrator (ADDG) as it is vacant, obsolete, and currently set at the same salary as the classification of Principal Management Analyst, effective March 1, 2017;
- 3. **ABOLISH** the classification of Principal Management Analyst Project (ADS5) as it is vacant and obsolete effective March 1, 2017;
- 4. **RESCIND** Performance Pay Plan Resolution Nos. 94/576 and 99/657 effective March 1, 2017 as they are now unnecessary and obsolete;
- 5. **REALLOCATE** the classification of Management Analyst (ADVB) from salary level B85-1434 (\$4,790.26-\$6,419.41) to salary level B85-1434 (\$5,281.26-\$7,077.40) effective March 1, 2017;
- 6. **REALLOCATE** the classification of Senior Management Analyst (ADTD) from salary level B85-1585 (\$5,562.76-\$7,454.63) to salary level B85-1585 (\$6,132.95-\$8,218.73) effective March 1, 2017. Place employee #61332 at Step 6, and employee #51869 at Step 5 on the new salary range effective March 1, 2017.
- 7. **REALLOCATE** the classification of Principal Management Analyst (ADHB) from salary level B85-1904 (\$7,628.93-\$9,273.01) to salary level B85-1905 (\$8,410.90-10,223.50) effective March 1, 2017.
- 8. **REALLOCATE** the classification of Senior Deputy County Administrator (ADDH) from salary level B85-1978 (\$8,208.89-\$11,000.70) to salary level BD5-2566 (\$9,050.30-\$12,128.27) effective March 1, 2017. Place employee #61698 at Step 2, employee #72678 at Step 5, employee #39386 at Step 6, #60541 at Step 4, employee #82411 at Step 4, and employee #53576 at Step 5 on the new salary range effective March 1, 2017;

- 9. **REALLOCATE** the classification of Assistant County Administrator (ADB4) from salary level B85-2277 (\$11,037.16-\$13415.74) to salary level B85-2277 (\$12,168.47-\$14,790.85) effective March 1, 2017.
- 10. **REALLOCATE** the classification of County Finance Director-Exempt (ADB6) from salary level BD5-2565 (\$14,320.23-\$17842.58) to BD5-2566 (\$16,182.76-\$19,671.44) and place employee #40206 at Step 4 effective March 1, 2017.
- 11. Incumbents in the aforementioned classifications will be eligible for review for within-range step adjustments on their next anniversary date.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Dianne Dinsmore, Human Resources Director 335-1766

ATTESTED: February 14, 2017

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By:, Deputy

cc: Dianne Dinsmore, Human Resources Director

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017





Contra Costa County

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a license agreement with East Bay Regional Park District, for a five-year term beginning February 1, 2017, with three optional five-year extensions, to use District property for the County's Vollmer Peak telecommunications tower, at a rate of \$2,400 per month, Orinda area.

AUTHORIZE the Public Works Director to provide notice to renew the license agreement by up to three additional five-year periods, if determined to be necessary.

#### **FISCAL IMPACT:**

100% General Fund

#### **BACKGROUND:**

cc:

The County has operated a telecommunications tower (Tower) on Vollmer

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Dave Silva, (925) 313-2132	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### BACKGROUND: (CONT'D)

Peak since 1961 under various agreements with the East Bay Regional Park District (District), which owns the property. The County is responsible for maintaining and operating the Tower, and it uses rack space in an adjacent District-owned shelter (Shelter). The County's Department of Information Technology (DOIT) operates the Tower as a microwave/radio communications site for Bay Area public agencies. The Tower provides critical radio and microwave coverage for the western half of Contra Costa County and the northeastern portion of the San Francisco Bay Area. The County uses a District road to access the Tower and Shelter.

Under this license agreement, the District will continue to grant the County a license to maintain the Tower on Vollmer Peak, to use six racks in the Shelter, and to use the District's road to access the Tower and Shelter. The County will pay the District \$2,400 per month, subject to annual increases beginning February 1, 2018, for the six racks in the Shelter, and will pay the District a road fee of \$500 per year. The license agreement requires the County to indemnify the District against claims that arise from the County's actions under the agreement.

The term of the license agreement begins on February 1, 2017, and it expires five years after the effective date. The County may elect to extend the license term by up to three additional five-year periods, unless the District provides notice of nonrenewal at least 180 days in advance of the expiration of the then-current term of the license agreement.

Because the Tower is an integral part of the County's telecommunications network, the Departments of Public Works and Information Technology recommend that the Board of Supervisors approve the license agreement.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If the license agreement is not approved, DOIT will not be able to operate a communications site on Vollmer Peak, which will have a negative effect on the County and the public agencies that are using the telecommunications tower. The County would also incur additional costs to remove the tower from the site and relocate it to another site, if feasible.

#### **ATTACHMENTS**

License Agreement with EBRPD for Vollmer Peak

## LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into as of February I, 2017, ("Effective Date") by and between the East Bay Regional Park District, a California special district ("District"), whose address is 2950 Peralta Oaks Court, P.O. Box 5381, Oakland, California 94506-0381, and Contra Costa County ("County"), a political subdivision of the State of California, with an office at 255 Glacier Drive, Martinez, CA 94521. The District and the County are each sometimes referred to herein as a "Party" and together as the "Parties."

#### **RECITALS**

- **A.** The District acquired Tilden Regional Park from East Bay Municipal Utility District ("**EBMUD**") by deed, dated July 1, 1940. The deed requires the District to use the property only for park, recreation, environmental purposes, and public use associated therewith.
- **B.** On May 13, 1969, EBMUD agreed to allow a portion of Tilden Park, on the southerly portion of Bald Peak ("<u>Vollmer Peak</u>" or "<u>Premises</u>"), as shown in <u>Exhibit A</u> attached hereto and incorporated herein by this reference, to be used as a telecommunication site for public agencies. The District is authorized to use, and to license the use of, the Premises to other governmental agencies exclusively for the purpose of operating, managing, and maintaining a California multiple radio/microwave communications system for use by public agencies only ("<u>Licensed Purposes</u>").
- C. The Premises are accessible by means of the existing access road ("Access Road") which leads from the intersection of Grizzly Peak Boulevard and South Park Drive at the entrance to East Bay Regional Corp Yard to the Premises. The District owns the Access Road in fee title.
- D. The County has operated, maintained, and managed a sixty-foot telecommunications tower ("Tower") and related telecommunications facilities and appurtenant structures ("Related Facilities"), on the Premises, and has used the Access Road to access the Premises. The Tower and Shelter are shown in Exhibit B attached hereto and incorporated herein by this reference. The County also has used six racks within a District-owned telecommunications equipment shelter ("Shelter") located on the Premises, as more particularly described in Exhibit D attached hereto and incorporated herein by this reference.
- **E.** The County licenses the use of its Tower and the Related Facilities to the District and other public agencies under separate licenses (each a "<u>Tower License</u>") between the County and each public agency. The District licenses the use of the Shelter to each public agency that desires to maintain ancillary equipment in the Shelter.
- **F.** The County desires to continue to license from District, and District desires to continue to grant to the County a license to: use of the Premises for operation, maintenance, and management of the Tower; use of certain rack space in the Shelter; and use of the Access Road.

#### **AGREEMENT**

**NOW, THEREFORE,** for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

- **I. GRANT OF LICENSES.** In consideration for County's performance of its obligations under this Agreement, the District hereby grants to the County the following licenses (together "Licenses"):
  - A. A non-exclusive license to occupy and use the Premises, as shown on **Exhibit A**, for the operation, maintenance, and management of the Tower and Related Facilities, including the right, subject to the requirements of Section 3, below, to grant to other public agencies Tower Licenses to occupy and use the Tower for the Licensed Purposes.
  - B. A non-exclusive license to occupy and use the Shelter, and for the exclusive use of six (6) racks within the Shelter, as more particularly described in **Exhibit D**.
  - C. A non-exclusive license to use the Access Road, to access the Premises.

#### 2. PARTIES' OBLIGATIONS.

- A. The County shall not use the Premises in any manner that is inconsistent with the stated Licensed Purposes. No other use of the Premises is permitted.
- B. The County shall be responsible for the operation, maintenance, and management of the Tower and Related Facilities on the Premises.
- C. The District and the County agree to manage and maintain the Premises in accordance with the terms of **Exhibit C** attached hereto and incorporated herein by this reference.
- D. As partial consideration for the Grant of Licenses in Section I, above, the County shall provide space on the Tower for the District's telecommunications equipment at no charge to the District.
- E. The District shall be solely responsible for the operation, maintenance, and management of the Access Road.
- F. The County shall provide copies of all third party Tower Licenses to the District.

#### 3. CONSENT REQUIRED.

A. Before the County grants a new Tower License, the County shall provide the District information concerning the agency that desires to license space on the Tower from the County, and the location and description of the equipment to be installed on the

Tower. This information will be reviewed by the District and EBMUD. The County shall be responsible for forwarding this information to EBMUD.

- B. Within 30 days after the District's receipt of the information specified in Section 3.A., above, the District shall notify the County in writing whether the District consents to the new Tower License. The District shall not withhold consent for any new Tower License that is consistent with the Licensed Purposes. If the District does not provide the written notice within the above 30-day period, the new Tower License shall be deemed consented to by the District. The County shall provide a copy of the new Tower License to the District within 30 days of execution.
- C. The requirements of this Section 3 only apply to new Tower Licenses first granted after the Effective Date of this Agreement. The requirements of this Section 3 shall not apply the renewal or extension of a Tower License. However, the County shall notify District of any such renewals and extensions and provide copies thereof with 30 days of execution.

#### 4. TERM.

- A. <u>Term.</u> The term ("**Term**") of this Agreement shall be for five (5) years commencing on the Effective Date and shall expire on January 31, 2022 ("**Expiration Date**"), unless this Agreement is terminated earlier. The Term of this Agreement may be extended as provided in Section 4(B), below.
- B. Extend the Term. Unless the District provides the County notice of nonrenewal at least 365 days before the Expiration Date, the County's Public Works Director may extend the Term of this Agreement by up to three additional successive five-year periods, one at a time, by providing advance written renewal notice to the District at least 180 days before the Expiration Date. The County's Public Works Director's renewal notice shall cause the Term to extend for an additional five years, and the Expiration Date shall become the last day of that five-year period. If the District provides notice of nonrenewal as provided herein, the Agreement may not be extended and shall expire on the Expiration Date, unless sooner terminated in accordance with Section 24.
- C. <u>No Right to Extend if in Default</u>. Notwithstanding Section 4(B), above, if the County is in Material Breach of any of its obligations under this Agreement, as defined in Section 19, below, at the end of the initial Term or any of the extended terms, the County may not extend the term of this Agreement unless and until it cures the breach and obtains the District's consent.

#### 5. FEES.

#### A. Fees.

1. <u>License Fees</u>. Each month during the term of this Agreement, the County shall pay the District a monthly license fee of \$400 (each payment a "**License**"

**Fee**" and collectively "**License Fees**") per rack, for each of the six (6) racks in the Shelter that are licensed to the County hereunder. The County may install additional racks only with the District's consent, and any additional racks shall be subject to the License Fee.

2. Road Fees. For the 12-month period following the Effective Date, and for each 12-month period thereafter during the term of this Agreement, the County shall pay the District \$500 per 12-month period (each a "Road Fee" and collectively "Road Fees") for use of the Access Road.

### B. <u>Payments</u>.

- License Fees. The County shall pay the District the License Fees for the first month during the Term of this Agreement within 30 days after the Effective Date of this Agreement. For each subsequent month during the Term of this Agreement, the County shall pay the District the License Fees for that month by the 15th day of that month.
- 2. Road Fee. The County shall pay the District the Road Fee for the first 12-month period following the Effective Date within 30 days after the Effective Date. For each subsequent 12 month period, the County shall pay the District the Road Fee for that 12-month period no later than 30 days before the first day of that 12-month period.
- 3. <u>Place of Payment</u>. The County shall send its License Fees payments and Road Fee payments to the East Bay Regional Park District, at P.O. Box 5381, Oakland, California 94605-0381, Attention Finance.
- D. Adjustment of the License Fee. On February I, 2018, and on each February I thereafter during the term of this Agreement, the License Fee specified in Section 5(A)(I), above, shall increase based on the percentage increase, if any and not to exceed three percent (3%), in the Consumer Price Index for all Urban Consumers for the San Francisco, Oakland, San Jose, California area, published by the United States Department of Labor, Bureau of Labor Statistics during the I2-month period that ends on the December 30th immediately prior to the February I on which the increase, if any, will be effective. If the License Fee will increase on February I as provided herein, the District shall provide the County notice of the increase by the January I5 immediately before that February I.
- **6. UTILITIES.** The County shall furnish, at its sole cost and expense, all utilities required to operate the Premises, including, without limitation, gas, electricity, water, and telephone service and all connection charges.
- 7. **DISTRICT'S RIGHTS.** The District expressly reserves the right to use the Premises for the District's operations, and to construct, reconstruct, and maintain existing or additional facilities or improvements on the Premises that do not unreasonably interfere with the County's use of the Premises under this Agreement. The County shall ensure that its use of

the Premises as provided herein does not interfere with the present or future operations of District.

### 8. USE OF ROAD FEES; MAINTENANCE OF ROAD.

- A. <u>Use of Road Fees</u>. The District shall separately account for all Road Fees paid by the County under this Agreement. The District shall not use Road Fees for any purpose other than to repair the Access Road as specified in Section 8(B), below.
- B. The District shall be solely responsible for the repair and regular maintenance of the Access Road. However, if, during the term of this Agreement, the Access Road is damaged by landslide, washout, subsidence, earthquake, or other force majeure, the District may use Road Fees paid hereunder, and not previously expended, to pay the District's direct cost to repair the Access Road. If those repair costs exceed the amount of the Road Fees on deposit with the District, the District may charge the County an additional amount as its proportional share of the repair costs, not to exceed \$5,000 per calendar year.

The County will pay its proportional share of Access Road repair costs within 30 days after receipt of a written demand for payment from the District that includes the total amount spent by the District to repair the Access Road.

- 9. PRIOR APPROVAL FOR WORK PERFORMED. The County agrees that prior to repair, removal or alteration of the District's existing Shelter and communications equipment, details of the proposed scope of work must be submitted in advance and in writing to District for review and approval. The County will reimburse District for any reasonable costs incurred by District in reviewing the County's work plan and for District's inspection of construction activities. The County shall comply with all of the terms of any encroachment permits issued by District.
- 10. CONDITION OF PREMISES. The County shall, at all times and at County's sole cost and expense, keep its equipment located on the Premises in good condition and repair, reasonable wear and tear excepted, including making replacements when necessary and removing inoperable, obsolete or abandoned equipment without delay. If the County fails to promptly make any repairs that are necessary to remedy a dangerous condition on the Premises, the District shall give written notice of its intention to make such repairs. If the County does begin making the required repair within 30 days after receipt of District's notice, the District may make such repairs and shall be reimbursed by the County for any and all reasonable costs incurred by District in performing such repairs including administrative overhead.
- 11. **FREQUENCY COMPATIBILITY.** The County shall provide for complete frequency compatibility for all radio transmitting equipment currently existing on the Tower, and for any installed on the Tower after the Effective Date. If an entity that maintains equipment on the Tower notifies the County that an interference problem exists, the County shall be responsible for determining the cause of, and resolving, the interference problem. If the County is unable to resolve an interference problem within 30 days after receiving notice of

the problem, the County shall require the equipment causing the interference problem to be taken out of service until the interference problem is corrected to the complete satisfaction of the user or users of the Tower that encountered an interference problem. The County shall require all persons and entities operating equipment under Tower Licenses to comply with the requirements of the Federal Communications Commission, including those requirements related to radio-frequency emissions.

- 12. COMPLIANCE WITH LAWS. The County shall comply with all applicable ordinances, rules, and regulations of local, state and federal governmental authorities pertaining to the County's activities on the Premises. If the County is required to obtain any permits or other approvals from any federal, state, or local agency, the District shall cooperate with the County's efforts to obtain those permits or other approvals.
- **RULES.** The County shall ensure that its employees, contractors, and agents comply with the following District rules:
  - A. No alcoholic beverages may be consumed on District property, including the Premises.
  - B. The County shall use the Access Road to access the Premises and shall not travel any other road on District property or open fields except in cases of emergency or with the prior authorization of the Park Supervisor (510) 544-2711.
  - C. The County may use the Access Road during regular park hours, between the hours of 5:00 a.m. and 10:00 p.m. on each day. However, if the County, in its sole discretion, determines that an emergency exists at the Premises, the County may use the Access Road to respond to the emergency regardless of the time of day.
  - D. The County shall observe a reasonable speed limit on District's property.
  - E. The County shall not smoke, use matches, or have open fires on District property.
  - F. The County shall comply with District's Ordinance 38, a copy of which can be accessed via the District website <a href="http://www.ebparks.org/">http://www.ebparks.org/</a>, which is incorporated herein by reference.
- 14. NONDISCRIMINATION. In the performance of its obligations under this Agreement, the County shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, gender, sexual orientation, age, or national origin.

#### 15. HAZARDOUS MATERIALS.

A. <u>Condition of the Premises</u>. The District represents and warrants that it has conducted no site investigation(s) for Hazardous Materials (as defined in Section 15(C), below) and has no knowledge of any Hazardous Materials existing on or about the Premises in violation of any applicable law. The County represents and warrants to the District that the County will not generate, store, or dispose of any Hazardous

Materials on, under, or about the Premises in violation of any Hazardous Substance Laws (as defined in Section 15(C), below). If the County causes or contributes to a release of Hazardous Materials to the air, soil, surface water, or groundwater in, on, under, or adjacent to the Premises in violation of applicable Hazardous Substance Laws, the County shall do all of the following in accordance with all applicable laws: immediately report the release to the District as well as to appropriate government agencies; promptly clean up the Hazardous Materials so released; and restore the Premises to its condition as it existed prior to the release. The County shall defend, indemnify, and hold harmless the District from any losses, costs, claims, damages, penalties, and liabilities, including all costs of investigation, testing, remedial planning, and implementation and monitoring, arising from or caused by any release or migration of Hazardous Materials caused or contributed to by the County.

- B. <u>Clean Up.</u> If any cleanup, repair, detoxification, or other similar action is required by any governmental or quasi-governmental agency as a result of the storage, release, or disposal of Hazardous Materials by District, its officers, employees, agents, or contractors, at any time, or by any prior owner, possessor, or operator of any part of the Premises, and such action interferes with the County's ability to occupy or use the Premises for more than 24 hours, as determined by the County, the County's sole remedy shall be a credit against future License Fees to be paid by the County under Section 5, in the amount of 1/30<sup>th</sup> of the monthly License Fees for each day, or portion thereof, of the above-described interference. After the first 24 hours of the above-described interference, the County shall also be entitled to terminate this Agreement upon not less than thirty (30) days advance written notice to the District.
- C. <u>Definitions</u>. For the purposes of this Section 15, "<u>Hazardous Materials</u>" includes, but is not limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et. seq.; and those substances defined as hazardous, toxic, hazardous wastes, toxic wastes, or as hazardous or toxic substances, including but not limited to petroleum and petroleum by-products, by any law or statute now or after this date in effect in California, and in the regulations adopted and publications promulgated pursuant to those laws (all collectively referred to herein as "<u>Hazardous Substance Laws</u>").
- D. <u>Survival</u>. Notwithstanding anything to the contrary contained herein, the provisions of this Section 15 shall survive the expiration or termination of this Agreement.

#### 16. INDEMNIFICATION & LIABILITY FOR LOSSES.

A. <u>Indemnification</u>. The County shall indemnify, defend, and hold harmless the District, its directors, officers, employees, agents, and invitees (each of which is an "<u>Indemnitee</u>") from and against any and all claims, demands, losses, costs, expenses, and liabilities for damages, including attorney's fees and costs ("<u>Claims</u>"), that arise out of the County's operation or performance under this Agreement including but

not limited to the County's construction, occupation, use, operation, and maintenance of the Premises, the Tower, and the Related Facilities. However, the County shall not be required to indemnify, defend, or hold harmless any Indemnitee from and against any Claim that arises from the sole negligence or intentional or willful misconduct of that Indemnitee.

- B. Assumption of Risk. The District shall have no responsibility to safeguard County equipment and property located on the Premises, or County employees, officers, agents, and contractors, for loss, damage, injury, or death. The County agrees to assume all such risk and hereby releases the District from all claims and recourse against District, including the right of contribution, for all loss or damage or expenses incurred by reason of death or injury to, or damage to property of, the County, its officers, employees, and agents. The County releases the District from any liability relating to, or in any way connected to, the County's use and access upon and across the District's property and the County's activities and use of the Premises, regardless of fault of the District. However, notwithstanding the foregoing, in accordance with California law, the County's assumption of risk and releases under this Section 16(B) shall not apply to any losses, damages, or expenses resulting from the intentional and willful misconduct or gross negligence of the District, its officers, or its employees, for which the District shall remain liable to the County, its officers, employees, agents, and contractors.
- **INSURANCE.** The County has elected to be insured for its motor vehicle and general liabilities exposures through a self-insurance program.
- **18. ASSIGNABILITY.** The County shall not voluntarily assign, transfer, sublet, or otherwise transfer or encumber, all or any part of the County's interest in the Licenses granted hereunder. Any attempt by County to assign this Agreement shall be void and of no effect.
- 19. **DEFAULT FOR MATERIAL BREACH**. The occurrence of any one or more of the following shall constitute a "**Material Default**" of this Agreement by the County:
  - A. The County's vacating or abandonment of the Premises.
  - B. The failure of the County to make any required payment of a License Fee, or any other payment required to be made by the County hereunder, within thirty (30) days after receipt of written demand for payment from District, which may be given by the District at any time after the date payment is due under this Agreement.
  - C. The failure of the County to perform and of its obligations under this Agreement and the County's failure to cure said default within thirty (30) days after receipt of written notice thereof from the District. If the nature of the County's default is such that more than thirty (30) days are reasonably required for cure the default, then the County shall not be in default if, within thirty (30) days after receipt of notice from the District, the County begins taking reasonable steps to cure the default and thereafter diligently prosecutes such cure to completion.

- D. The failure of the County to comply with any lawful written order or directives relating to the Premises from any governmental entity within the time set forth in such order, and after the County's exhaustion of all appeal rights and administrative remedies.
- E. If any petition is filed by the County under any section or chapter of the Federal Bankruptcy Code, as it may be amended from time to time, and such petition is not dismissed within ninety (90) days thereafter; if the County becomes insolvent or makes a transfer in fraud of creditors; if the County makes a general arrangement or general assignment for the benefit of creditors; or if a receiver, custodian, or trustee is appointed for any of the assets of the County located at the Premises and the appointment is not vacated within ninety (90) days thereafter.
- F. The discovery by the District that the County has provided the District with false financial information.
- **20. REMEDIES.** In the event of a Material Default by the County, as defined in Section 19, above, the District may take any or all of the following actions:
  - A. Terminate this Agreement and the Licenses granted hereunder, in accordance with Section 25(A)(I), below, in which case the County shall remove the Tower, Related Facilities, and all County Property from the Premises, and return the Premises to a neat and clean condition.
  - B. Recover unpaid License Fees and Road Fees then owed by the County through and including the date this Agreement terminates, and any other amounts necessary to compensate District for the County's failure to perform its obligations under this Agreement, including but not limited to retaking possession of the Premises, making such repairs as necessary to return the Premises to a good condition, and in removing all persons and property from the Premises in accordance with law.
  - C. The Parties agree that the District's remedies under this Section 20 are in addition to all remedies available to the District in law or equity.
- 21. WAIVER. The waiver by District of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same term, covenant, or condition. If the County fails to pay any License Fees or the Road Fee in the manner required by this Agreement but the District later accepts said payment, that acceptance will be deemed a waiver of the County's failure to pay. Otherwise, the District's acceptance of License Fees or Road Fees shall not constitute a waiver of a breach of any other term, covenant, or condition herein contained.

#### 22. RELOCATION AND REMOVAL.

A. <u>Relocation from the Premises</u>. If the District requires the Premises for other District purposes, it shall make reasonable efforts to consult with the County to identify other District property that would be suitable for use by the County for its

telecommunications purposes. If the County elects to move its Tower and Related Facilities to that other location: the District shall not have any obligation to pay any cost and expense related to that relocation; and the Parties shall amend this Agreement to identify the new location, which shall become the "Premises," and to remove any and all obligations of the County related to the former Premises and to make such other changes as deemed necessary. If other suitable District property cannot be identified, or if the County elects not to move its Tower and Related Facilities to other District property, then the District may terminate this Agreement in accordance with Section 25(A)(2), below.

- B. Waiver of Relocation Benefits under State and Federal Law. In the event that the District requires the County to relocate from the Premises under Section 22(A), above, the County hereby specifically waives any rights to, and releases District from any obligation to provide, relocation benefits and relocation payments to which the County would otherwise be entitled under California or federal relocation laws. The County shall hold the District harmless from and indemnify the District against any and all liability cost and expense suffered or incurred by the District and arising in connection with any such rights or claim asserted by the County.
- 23. CONDEMNATION. If any part of the Premises is condemned for a public use and the remainder of the Premises is suitable for occupation and use by the County as herein authorized: this Agreement shall remain in effect; and the Licenses herein granted shall remain in effect only as to the remainder of the Premises after title to the part taken vests in the condemner. If all of the Premises is condemned, or if a substantial portion of the Premises is condemned and is no longer suitable for County's occupation and use as herein authorized, the Licenses granted herein and this Agreement shall terminate as of the date title to the Premises, or substantial portion thereof, vests in the condemner. In any condemnation proceeding to acquire the Premises, or any portion thereof, the County shall be entitled to all compensation awarded for damages to, or loss of, the County improvements, and for lost income caused by the taking, if any; and the District shall be entitled to all other damages including without limitation lost income and compensation for damages to real property owned by the District, including damages to the Premises and real property on which the County's improvements are located.

## 24. TERMINATION.

### A. <u>District's Right to Terminate</u>.

- In the event of a Material Breach, as specified in Section 19, above, the District may immediately terminate this Agreement upon 180 days advance written notice to the County. During that 180-day period, the County shall be entitled to continue to occupy and use the Premises solely for the purpose of removing the Tower and Related Facilities from the Premises and returning the Premises to a neat and clean and natural condition.
- 2. Except as otherwise specified in Section 25(A)(I), above, the District shall not be entitled to terminate this Agreement within the first five (5) years

following the Effective Date. After the expiration of the first five (5) years following the Effective Date, and provided this Agreement has not already expired, the District may terminate this Agreement by providing the County at least three (3) years advance written notice. If the District elects to terminate this Agreement, before the Expiration Date, the County shall remove the Tower, Related Facilities, and all other County property from the Premises, and return the Premises to a neat and clean and natural condition.

- B. <u>County's Right to Terminate</u>. At any time during the term of this Agreement, the County may, at its sole discretion, terminate this Agreement by providing the District at least one hundred eighty (180) days advance written notice. If the County elects to terminate this Agreement under this Section 25(B), before the termination date the County shall remove the Tower, Related Facilities, and all other County property from the Premises, and return the Premises to a neat and clean and natural condition.
- C. <u>Effect of Termination or Expiration</u>. Except as expressly provided herein, on the date this Agreement terminates or expires, the Licenses herein granted shall terminate, and the terms and conditions herein contained shall no longer be of any force or effect.
- D. <u>Refund of License Fees</u>. Within 30 days after the termination or expiration date of this Agreement, the District shall refund to the County:
  - I. All License Fees paid by the County for any months following the month in which the termination date occurs, if any; and
  - 2. A proportion of the License Fees paid for the month in which the termination date occurs, based on the following formula:

[(License Fees paid for current month) / (Number of days in current month)]  $\times$  (number of days during the period from and including the day after the termination date, through and including the last day of the current month)] = Amount of refund to County

- 25. HOLD OVER. Any holding over by the County after the expiration or termination of this Agreement, with the written consent of District, shall be construed to be a tenancy from month to month on the same terms and conditions specified herein so far as applicable. Notwithstanding anything to the contrary contained herein, including in Section 25(B), during any hold over tenancy, the Licenses herein granted shall continue to remain in effect until the hold over tenancy is terminated. Either Party may terminate any hold over tenancy on thirty (30) days written notice to the other Party.
- 26. **REMOVAL OF COUNTY'S EQUIPMENT BY DISTRICT.** If, after the termination or expiration of this Agreement, the County fails to remove the Tower, Related Equipment, and other County property from the Premises as required herein, the removal work may be performed by District, and the County shall pay the District, within 30 days after receiving a

demand for payment, all of the District's direct costs, plus an additional amount of 20% of those costs for administrative overhead.

- 27. INDEPENDENT CAPACITY. The County is a licensee and the District is a licensor hereunder, but the County and the District are otherwise independent of one another. Nothing in this Agreement creates, nor shall it be construed as creating, a joint exercise of powers agency, partnership, or joint venture of the County and the District. The County retains the sole discretion to perform its obligations under this Agreement, and to exercise its rights under the Licenses herein granted. The County is solely responsible for the employment, direction, compensation, and discharge of all persons employed by or engaged by the County in the performance of its obligations under this Agreement, or the exercise of its rights under the Licenses herein granted.
- **28. NOTICES**. Any notice required or desired to be given or served hereunder shall be deemed properly given if it is personally delivered, sent by registered U.S. Mail, or sent by overnight delivery with delivery to be made on the next business day, with postage prepaid, addressed to:

#### For District:

East Bay Regional Park District 2950 Peralta Oaks Court P.O. Box 5381 Oakland, California 94605 Attention: Business Services

## For County:

Contra Costa County Public Works Dept. Attn: Principal Real Property Agent 255 Glacier Drive Martinez, California 94553

With a copy to:
District Counsel
2950 Peralta Oaks Court
P.O. Box 5381
Oakland, California 94605

Either Party may designate other persons or addresses to which notices must be given under this Agreement by providing written notice to the other Party in the manner set forth in this Section. Each notice given hereunder shall be deemed given, and received by the other Party: on the same day if delivered in person; on the next business day following the date of mailing if delivered by overnight delivery; and on the fifth day following the date of mailing if mailed by registered U.S. Mail.

For day to day operations, the contact at the District shall be the Business Services Manager, 510-544-2513; and the contact for the County shall be leasing agent, 925-313-2132.

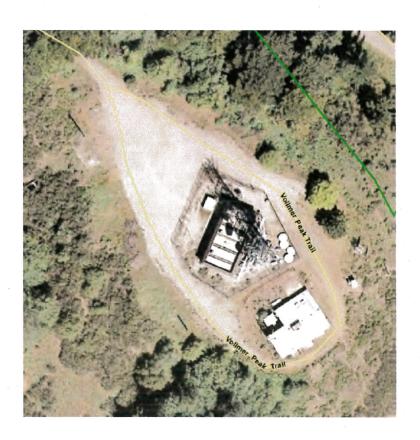
**EXISTING CONDITION.** This Licenses granted hereunder are granted subject to all existing liens, encumbrances, conditions, and restrictions of record affecting the Premises and are also subject to all existing rights, rights of way, licenses, leases, reservations, and easements by whomsoever held, in and to the Premises that predate the Effective Date of this Agreement.

- 30. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties and supersedes all prior written and verbal representations or understandings between the parties. This Agreement also supersedes the "Communication License," dated July 1, 1997, between the County and the District, which is hereby terminated and of no further force or effect.
- 31. **SEVERABILITY.** If any provision of this Agreement is determined by a Court to be invalid or unenforceable with respect to any Party, the remainder of this Agreement shall not be affected and shall be valid and enforceable to the fullest extent permitted by law.
- **32. COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the Effective Date hereof.

East Bay Regional Park District "District"	Contra Costa County "County"
Ву:	Ву:
Robert E. Doyle, General Manager	Julia R. Bueren, Director of Public Works
	RECOMMENDED FOR APPROVAL
Date:	By: Aau U Mah
	Karen A. Laws Principal Real Property Agent
APPROVED AS TO FORM:	By: Many L fila
Ву:	David L. Silva
District Counsel	Supervisory Real Property Agent
	APPROVED AS TO FORM:
	Sharon L. Anderson, County Counsel
	Ву:
	Stephen Siptroth
	Deputy County Counsel

# **EXHIBIT A**



# **EXHIBIT B**



Tilden Volmer Peak License Agreement Exhibit

#### **EXHIBIT C**

- A) Site Management. County shall provide management for the Premises, including but not limited to the following:
  - i) County shall negotiate and administer all Tower Licenses for the use of the Tower on the Premises, and the District shall negotiate and administer all licenses for users of the Shelter on the Premises. Any new licenses or renewal of existing licenses shall be applied for and approved in writing by both the District, County, and East Bay Municipal Utility District prior to execution.
  - ii) County shall coordinate space on the Premises for housing combination radio or microwave transmitter receiver equipment, including interference calculations for electronic equipment and antennas, inspection of equipment for damage and safety hazards, battery maintenance, and analysis of interference and compatibility problems with existing equipment. District agrees that in the event of harmful interference or degradation to radio operations, County may require that the interfering signal be suspended upon notice by County to applicable sub licensee pending resolution of such interference or degradation and shall not resume such operation without agreement by the FCC or the County.
  - iii) County shall coordinate space on the towers for antennas, including any required structural considerations, repairs or replacement of the towers as required.
  - iv) County shall provide, inspect, maintain and repair the emergency generator and electrical system.
  - v) All current users of the Shelter and Tower are listed in Exhibit "D". No other users of the Premises will be allowed without prior written approval by the District and the East Bay Municipal Utility District.
  - vi) County shall keep all equipment on the Premises in good working condition in accordance with acceptable "industry standards" when the standards of the following codes, if applicable, are met: National Electrical Code (NEC), Electronic Industries Association (EIA), National Electrical Manufacture's Association (NEMA), Institute of Electrical and Electronic Engineers (IEEE), Federal Communications Commission (FCC), and National Electric Safety Code (NESC).
  - vii) County agrees that no facilities shall be constructed or any alterations made at the Premises without District's prior written consent, which consent shall not be unreasonably withheld.

B) Maintenance. County shall be responsible for the maintenance of the tower and all improvements thereon and the emergency generator, and shall be solely responsible for all expenses incurred in connection with its use of the licensed property.

The County and the District agree to perform the following:

- i) District shall keep the roof and exterior of the building in good order, condition, and repair and shall maintain the structural integrity of the building, except County shall maintain the exterior doors and their fixtures, closer and hinges, and all locks and key systems in the demised Premise.
- ii) County shall keep and maintain the interior of the Premises in good order, condition, and repair, including the lighting and electrical systems. District shall repair damage to the interior caused by failure to maintain the exterior in good repair, including damage to the interior caused by roof leaks and/or interior and exterior wall leaks.
- iii) County shall maintain the grounds including weed abatement and general cleanup within a 100 yard radius of the enclosure fence. County will use only the District's Pest Management Department approved materials that may be used at the Premises.
- iv) County agrees to cooperate with District to protect the lands of District from destruction by erosion, fire, or improper use, and to protect the flora and fauna within the park. The provisions of this license shall at all times be interpreted so as to accomplish such objectives.
- v) County shall pay all costs of construction done by it or caused to be done by it on the licensed facility as permitted by this license. County shall keep the licensed facility free and clear of all mechanic liens resulting from construction done by or for County.

# **EXHIBIT D**

CUSTOMERS ON VOLLMER	R PEAK
2015	
	Number of Racks
East Bay Regional Communications System Authority	4
BART	1.0
Cal Trans	4.0
CHP	9.0
EBMUD	0.5
EBRPD	3.0
Golden Gate Bridge Dist.	5.0
	26.50
AGENCIES BELOW ARE DIVISIONS OF CONTRA CO	
Con Fire - CFD	1.3
CWS - Community Warning System - Sheriff	1
EMS - Emergency Medical Services - Health Svcs.	0.5
Flood Control - Public Works	0.3
Lamorinda Public Works	0.5
Sheriff	1
SRVFD - San Ramon Valley Fire District	0.5
CONTRA COSTA COUNTY SUB-LEASE	
Alameda County	0.9
	6

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Amendment Agreement #28-849-5 with the California Department of Public Health



Contra Costa County

## **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Amendment Agreement #28-849-5 (#15-11053-A01) with the California Department of Public Health, effective April 1, 2016, to make technical adjustments to the budget, to increase the amount payable to County by \$17,650 from \$1,483,935 to a new total payment limit of \$1,501,585, with no change in the original term from April 1, 2016 through March 31, 2019.

#### **FISCAL IMPACT:**

Approval of this Amendment will result in an increase in the amount of \$17,650 from the California Department of Public Health. No County funds are required.

#### **BACKGROUND:**

The goals of the California Department of Public Health, Office of AIDS are: 1) to minimize new HIV infections; and 2) to maximize the number of people with HIV infection who access appropriate care, treatment, support and prevention services. The services required by the HIV Prevention Program, scope of work, in this Agreement are consistent with, and are designed to

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Daniel Peddycord (925) 313-6712	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
cc: D MORGAN, M Wilhelm	

#### BACKGROUND: (CONT'D)

support these goals.

On July 19, 2016, the Board of Supervisors approved Standard Agreement #28-849-4, for County to provide residents of Contra Costa County access to medical and support care services, including outreach and treatment under the HIV Care Program and Minority AIDS Initiative project, for the period from April 1, 2016 through March 31, 2019, which included agreeing to indemnify and hold the State harmless for claims arising out of the County's performance under the Agreement.

Approval of Contract Amendment Agreement #28-849-5 will make technical adjustments to the budget, allowing the County to receive additional funds to continue providing medical and support care services through March 31, 2019.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If this amendment is not approved, County will not receive the necessary funding to support the reduction in transmission of HIV; to provide the prevention services that will reduce hospitalization; and to provide support to HIV positive individuals in their homes; or to support compliance with State and Federal requirements for reporting of communicable disease.

To: Board of Supervisors

From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

Subject: State of California Office of Traffic Safety Grant



Contra Costa County

## **RECOMMENDATION(S):**

ADOPT Resolution No. 2017/46 authorizing the Sheriff-Coroner, or designee, to apply for and accept a grant from the California Office of Traffic Safety in an initial amount of \$452,937.58 for the Sheriff's Forensic Services Unit to purchase a Liquid Chromatography Mass Spectrometry Instrument and Nitrogen Generator beginning October 1, 2017 to the end of the grant period.

#### **FISCAL IMPACT:**

Initial revenue of \$452,937.58, 100% State funds.

#### **BACKGROUND:**

The Contra Costa County Office of the Sheriff-Forensic Services Division (FSD) will use monies from the Office of Traffic Safety Grant Federal Fiscal Year 2018 to purchase a liquid chromatography-tandem mass spectrometry (LC-MS/MS) instrument. The FSD is an accredited crime laboratory providing forensic services to more than 20 law enforcement agencies in the County. The LC-MS/MS instrument will enable the laboratory to provide more meaningful information on driving under the influence of drugs (DUID) and drug facilitated sexual assault (DFSA) cases without the need for outside testing. Currently, the toxicology unit does not have the equipment to keep pace with

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	✓ APPROVED AS RECOMMENDED ☐ OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Sandra Brown 925-335-1553	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### BACKGROUND: (CONT'D)

current and future legislation and drug trends. On January 1, 2014, changes to driving under the influence laws (Sections 23152 and 23153 of the Vehicle Code) went into effect. With the prevalence of drivers driving under the influence on California roads and highways rising, these changes were implemented in efforts for law enforcement to identify and ultimately increase the prosecution of drug impaired driving cases. The section (e) that became operative on January 1, 2014 makes it unlawful for a person who is under the influence of any drug to drive a motor vehicle; this not only includes illegal narcotics and stimulants, but also even legal prescriptions, herbs, and over-the-counter drugs. In November 2016, California passed Proposition 64 (Adult Use of Marijuana Act) that allows adults age 21 and over to possess, transport, purchase, consume and share up to one ounce of marijuana and eight grams of marijuana concentrates. It is anticipated there will be an influx of marijuana analysis requests for "DUID" cases. Recently there has been increased forensic and public safety interest in newer or "emerging drugs" inclusive of "bath salts", synthetic cannabinoids and fentanyl analogs; a LC-MS/MS would enable the crime laboratory to increase the variety of drugs that can be tested. This information will provide a comprehensive report to police agencies and the District Attorney's Office for prosecution purposes. The project objectives include the purchase and installation of new LC-MS/MS instrument hardware and software which will be supported by the manufacturer and installation of a Nitrogen generator to be used with the LC-MS/MS instrument. The anticipated outcomes of the LC-MS/MS instrumentation include providing more meaningful information on driving under the influence of drugs (DUID) and drug facilitated sexual assault (DFSA) cases to law enforcement and increasing the variety of drugs tested at the crime laboratory. Why is it in best interest of the County? The crime laboratory serving Contra Costa County has an obligation to provide the best and most comprehensive results in forensic casework. Obtaining a LC-MS/MS will enable the laboratory to provide appropriate, accurate and reliable results for use in the criminal justice system as well as keep pace with current and future legislation and drug trends.

#### CONSEQUENCE OF NEGATIVE ACTION:

The crime laboratory currently provides limited toxicology analysis which does not meet the needs of client agencies. The current instrumentation is not adequate for current legislation related to driving under the influence of drugs or potential per se drug laws in the future. The unit is limited in the scope of drugs that can be tested due to inadequate instrumentation. To meet the needs of law enforcement agencies, many requests for analysis must be sent to an accredited outside laboratory. Any analysis performed by an outside laboratory creates an increased burden and cost to Contra Costa County law enforcement agencies and the District Attorney's Office if the case is prosecuted.

**CHILDREN'S IMPACT STATEMENT:** 

None.

<u>ATTACHMENTS</u>

Resolution No. 2017/46

# THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:  NO:  ABSENT:  ABSTAIN:  RECUSE:	SEAL OF STATE OF STAT
	Resolution No. 2017/46
IN THE MATTER OF: Applying for	and Accepting a grant from the California Office of Traffic Safety.
WHEREAS the County of Contra Cos	sta is seeking funds available through the State of California Office of Traffic Safety.
Sheriff's Chief of Management Service	ED that the Board of Supervisors: Authorizes the Sheriff-Coroner, Undersheriff or the ces, to execute for and on behalf of the County of Contra Costa, a public entity established nia, any actions necessary for the purpose of obtaining State financial assistance provided by
Contact: Sandra Brown 925-335-1553	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.  ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

SLAI ON STATE

Contra Costa County

To: Board of Supervisors

From: Robin Lipetzky, Public Defender

Date: February 14, 2017

Subject: Grant Award from the San Francisco Foundation supporting Proposition 47 Defense Outreach

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Public Defender, or designee, to apply for and accept a grant in amount of \$50,000 from the San Francisco Foundation for the Proposition 47 Outreach program, for the period April 1, 2017 through November 30, 2017.

#### **FISCAL IMPACT:**

The grant will fund the continuation of salary and statutory benefit charges for two (2) temporary clerks, for an additional eight-month period beginning April 1, 2017. There is no requirement for matching funds by the County, and the grant will not increase Net County Cost. Anticipated grant revenues to be received in 2016-17 and expended in FY 2016-17 and FY 2017-18.

#### **BACKGROUND:**

Reflecting a growing movement for justice reform, California voters overwhelming passed Proposition 47, which reclassifies some "non-serious and nonviolent" property and drug crimes from felonies to misdemeanors. The provisions of this new law terminate in November

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Richard Loomis, (925) 335-8093	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### BACKGROUND: (CONT'D)

2017, which provide Defense Counsel with a limited period of time to identify, locate, and provide legal services to eligible defendants.

By prioritizing an aggressive community outreach strategy in partnership with local community-based organizations and other government departments, the Public Defender's Office has become a statewide leader in Proposition 47 work. The department's efforts have resulted in the swift release of eligible persons from incarcerations, reductions for all known eligible felony probationers (more than 1,000 defendants) and the filing of resentencing and reclassification petitions in approximately 4,000 cases.

There are reclassification provisions in Proposition 47 allowing for the reduction of prior felony convictions retroactively. According to data received from the County's Department of Information Technology, between 10,000 to 15,000 convictions are potentially eligible for reclassification. Thanks to the incremental staffing made possible through grant funding in early 2016, over the past eight months we have exceeded our primary goal - to provide substantial relief from criminal convictions for 1,740 cases by the end of calendar year 2016 - by 149%.

The initial eight-month pilot phase served as proof of concept - that dedicating time and resources to a coordinated, multi-agency effort can benefit not only individual defendants but the entire judicial system.

Solicitation of supplemental funding from non-profit foundations has previously resulted in three (3) individual awards combining to the sum of \$98,503 to augment the public funding commitment to this important work.

Currently the Proposition 47 Outreach Program has three (3) temporary clerical positions that work under the supervision of a Deputy Public Defender to accelerate the Proposition 47 activities already underway. The job duties include: client intake, review of closed cases, drafting and filing of petitions, preparing files for hearings, client communications and notification and conducting outreach events throughout the County. Continuation of the program is to be funded by the San Francisco Foundation in the additional amount of \$50,000 for two temporary clerks for an eight-month period beginning April 1, 2017.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

The Office of the Public Defender will experience difficulty in fully implementing the mandates of Proposition 47 for the residents of Contra Costa County.

#### CHILDREN'S IMPACT STATEMENT:

None.

Contra Costa County

To: Board of Supervisors

From: Kathy Gallagher, Employment & Human Services

Date: February 14, 2017

Subject: 2016-17 Department of Energy Weatherization Assistance Program (DOE WAP), Amend 1

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Employment & Human Services Director, or designee, to execute a contract amendment with California Department of Community Services and Development, effective December 30, 2016, with no change to payment limit of \$115,014 for Department of Energy Weatherization Assistance Program and extend the term through June 30, 2017.

#### **FISCAL IMPACT:**

100% State funds

California Department of Community Services and Development

Pension costs: \$6,245 County match: \$0

State: 16C-6005, Amend 1 / CCC: 39-805-12

cc: Nelly Ige, Sung Kim, Sam Mendoza, Cassandra Youngblood

#### **BACKGROUND:**

Contra Costa County has received funding from the State Department of Community Services and Development for 22 years wherein the county provides energy bill assistance payments

<b>✓</b> APPROVE		OTHER
▼ RECOMMENDATION	OF CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2</b> Clerks Notes:	017 🕜 APPROVED AS REC	OMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and co Supervisors on the date shown.  ATTESTED: February 14, 20	rrect copy of an action taken and entered on the minutes of the Board of
Contact: CSB, 925-681-6381	•	rator and Clerk of the Board of Supervisors
	By: Deputy	

#### BACKGROUND: (CONT'D)

and weatherization services to county residents who are income-eligible to receive said services. The funding sources include Low Income Home Energy Assistance Program (LIHEAP), the Energy Crisis Intervention Program (ECIP), and the Department of Energy (DOE).

The county receives the money via the Employment & Human Services Department (EHSD). EHSD, in turn, partners with the county Department of Conservation and Development to provide energy saving home improvements to low-income families throughout unincorporated Contra Costa County, as well as the County's nineteen cities.

The energy savings measures may provide homes with hot water heaters, furnaces, refrigerators, microwaves, doors, windows, fluorescent light bulbs, weather stripping, ceiling fans, and attic insulation. Homes receive a blower door test (a diagnostic tool to locate and correct air infiltration), and homes with gas appliances receive a combustion appliance safety test that checks for carbon monoxide gas leakage. Homes with gas appliances are provided with a carbon monoxide alarm.

The program uses income based eligibility. The income levels are based on the Federal Fiscal Year 2016 Poverty Guidelines. Once eligibility is determined, clients with no hot water, no heat, or are in danger of having their power shut off are served as emergencies. Service is then based on clients with the lowest income, highest energy burden and families with at least one resident who is considered vulnerable population.

The board approved receipt of funds on June 7, 2016 (c.35); the State routinely amends these contracts to extend the term to allow services to be fully expended. This board order is to extend the term end date from January 31, 2017 to new term end June 30, 2017.

#### CONSEQUENCE OF NEGATIVE ACTION:

If not approved, County may not receive funding to operate the weatherization program.

#### **CHILDREN'S IMPACT STATEMENT:**

The Employment & Human Services Department, Community Services Bureau energy program supports one Contra Costa County community outcome - Outcome #4: "Families that are Safe, Stable and Nurturing." This outcome is supported by the provision of home energy assistance to keep households warm in winter and to increase household energy efficiency.

Contra Costa County

To: Board of Supervisors

From: Kathy Gallagher, Employment & Human Services Director

Date: February 14, 2017

Subject: Heritage Project, Options for Recovery Retreat and Training

#### **RECOMMENDATION(S):**

cc:

APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to execute a contract with Embassy Suites Hotel Walnut Creek, for the Heritage Project, Options for Recovery Program, Caregivers Retreat and Training event, scheduled for April 12, 2017, in an amount not to exceed \$9,500 and requiring County's assumption of liability for damages caused by attendees.

Pursuant to Administrative Bulletin No. 114 (County and Non-County Sponsored Events and Activities):

- a. APPROVE the Employment and Human Services Department (EHSD) to host the Heritage Project, Options for Recovery Program Retreat and Training on April 12, 2017, which will require EHSD staff time and county resources in an amount exceeding \$2,500; and
- b. APPROVE and AUTHORIZE the expenditure of State Foster Parent Recruitment, Retention, and Support Grant funds, in an amount not to exceed \$20,000, including costs for food, Milestone awards, Raffle gifts, attendee gifts (cloth tote bag, candle, pens, notebook, etc.) facility rental, and other reasonable expenses related to hosting the 2017 Heritage Program Retreat and Training.

<b>✓</b> APPROVE	ОТНЕ	R
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITT	MMENDATION OF BOARD EE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDI	ED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct cop of Supervisors on the date shown.	by of an action taken and entered on the minutes of the Board
	ATTESTED: February 14, 2017	
Contact: Elaine Burres, 925-313-1717	David J. Twa, County Administrator a	nd Clerk of the Board of Supervisors
	By: , Deputy	

#### **FISCAL IMPACT:**

The total cost for the event is yet to be determined, but will not exceed \$20,000. Funding for this event is covered 100% by State, Foster Parent Recruitment, Retention and Support Grant monies and none of the department's County General Fund allocation will be used for this event.

#### **BACKGROUND:**

In response to issues related to peri-natal exposure to alcohol and drugs, a collaboration was formed with California Department of Alcohol and Drugs programs, including Developmental Services, Mental Health Department services, Health Services Department and Social Services agencies. This collaboration was entitled Options for Recovery. The mission is to promote recovery of pregnant, postpartum and parenting chemically dependent women and enhance the health of children.

On April 12, 2017, the Employment and Human Services Department, Children and Family Services Bureau will host an intensive training event, entitled "Options for Recovery Retreat and Training" for foster parents and relative caregivers. Embassy Suites Walnut Creek Hotel has requested the Board of Supervisors approval in advance of the event.

Provision of food and beverage service during the event is allowable under the Heritage Project funding guidelines, the State Foster Parent Recruitment, Retention and Support grant (FPRRS) grant and will be consistent with the County Administrative Bulletin No. 614, paragraph IV. B. "appropriated funds are not available to provide food and/or beverages to county employees or members of County Committees". Similarly, Approval has been received from the County Administrator's Office for a County Sponsored Event with expenses greater than \$2,500 as required by Admin. Bulletin 114.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

The federal requirement for Heritage Project, Options for Recovery Program specialized training would not be provided and may impact funding.

#### CHILDREN'S IMPACT STATEMENT:

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017





# Contra Costa County

## **RECOMMENDATION(S):**

Approve clarification of Board action of December 6, 2016, (C.83) with Lee A. Shratter, M.D., A Professional Corporation, to change the name of the Contractor to read Lee A. Shratter, M.D., an individual, instead of Lee A. Shratter, M.D., A Professional Corporation, with no change in the payment limit of \$900,000 and no change in the term of January 1, 2017 through December 31, 2019.

#### **FISCAL IMPACT:**

This contract is funded 100% Hospital Enterprise Fund I. (No Rate Increase)

#### **BACKGROUND:**

On December 6, 2016, the Board of Supervisors approved Contract #76-507-14 with Lee A. Shratter, M.D., A Professional Corporation, for the provision of radiology services including consultation, on-call coverage and interpretation of CT Scans, MRIs, ultrasounds, invasive procedures and plain films for CCRMC, for the period from January 1, 2017 through December 31, 2019. The purpose of this Board Order is to clarify the name of the contractor to read Lee A. Shratter, M.D., an individual instead of Lee A. Shratter, M.D., A Professional Corporation.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNT	Y ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Samir Shah, M.D., 925-370-5525	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
cc: K Cyr, M Wilhelm	

# **CONSEQUENCE OF NEGATIVE ACTION:**

If this correction is not approved, Contractor's name will remain incorrect.

SLAI O

Contra Costa County

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: APPROVE and AUTHORIZE Advertisement for Construction Bids for Annual Job Order Contracts 004, 005, 006,

and 007 (WW0862)

#### **RECOMMENDATION(S):**

cc:

- (1) APPROVE the design and bid documents, including the plans and specifications for typical work, contract General Conditions, Technical Specifications, and the Construction Task Catalog for Job Order Contracts 004, 005, 006, and 007.
- (2) AUTHORIZE the Public Works Director, or designee, to solicit bids to be received on or about March 23, 2017 and issue bid addenda, as needed, for clarification of the bid documents, provided the involved changes do not significantly increase the construction cost estimate.
- (3) DIRECT the Clerk of the Board to publish, at least 14 calendar days before the bid opening date, the Notice to Contractors in accordance with Public Contract Code Section 22037, inviting bids for this project.
- (4) DIRECT the Public Works Director, or designee, to send notices by email or fax and by U.S. Mail to the construction trade journals specified in Public Contract Code Section 22036 at least 15 calendar days before the bid opening.

<b>✓</b> APPROVE	OTHER	
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE	
Action of Board On: 02/14/2017 APPROVED AS RECOMMENDED OTHER		
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.	
	ATTESTED: February 14, 2017	
Contact: Ramesh Kanzaria, (925) 313-2000	David J. Twa, County Administrator and Clerk of the Board of Supervisors	
	By: , Deputy	

#### **FISCAL IMPACT:**

JOC work orders will only be issued when there is an approved project and funding. The contract value can range from a minimum of \$45,001 to a maximum of \$4.5 million. The maximum contract value of \$4.5 million per annual JOC contract is a maximum limit based on Public Contract Code Section 20128.5 (not actual appropriated dollars), and it is possible that the limit may not be reached. Having this limit allows for efficiency and flexibility in accomplishing work up to the maximum statutory limit.

#### **BACKGROUND**:

On March 31, 2015, the Public Works Department participated in a County Building Infrastructure Workshop before the Board. At that time, Capital Projects and Facilities Maintenance staff were reviewing the recommended priority projects from the 2014 assessment of 81 buildings at 48 sites to present the list of projects to be funded with Facilities Life-Cycle Investment Program (FLIP). On May 12, 2015, the Board approved the FLIP project list for the Fiscal Year 2015/2016.

In order to be efficient in delivering projects, the County has employed a variety of project delivery methods. One such method is Public Contract Code Section 20128.5, which authorizes counties to award one or more individual annual contracts for repair, remodeling, or other repetitive work to be done according to unit prices. Once an annual contract is awarded, individual projects are then done through written job orders performed by the job order contractor at the unit prices bid for the annual contract. Such Job Order Contracting (JOC) is a project delivery tool that has been proven to reduce costs, save time, and increase productivity.

The Contra Costa County Board of Supervisors previously approved the use of annual JOC contracts in 2002. From 2002 to 2010, the County successfully utilized JOC as a responsive contracting technique for the accomplishment of maintenance, repair, and remodeling projects totaling more than \$15 million.

On July 28, 2015, the County executed a Consulting Services Agreement with The Gordian Group, Inc. d/b/a The Mellon Group ("Gordian") to provide JOC Program development and implementation services for various County projects.

As part of the Agreement, Gordian developed and maintained a JOC catalog, also known as a unit price book that contained individual construction tasks for all aspects of the repair, remodeling, and other repetitive work including general conditions, driveways, parking lots, and other construction-related components, covered by the annual JOC contracts awarded by the County.

On September 15, 2015, the Board of Supervisors authorized the Public Works Director to solicit bids for job order contracts. On November 10, 2015, the Board of Supervisors awarded three contracts each in the amount of \$2,000,000 to Sea Pac Engineering (JOC 001), John F. Otto, Inc., (JOC 002), and Mark Scott Construction (JOC 003). The California Public Contract Code (PCC) Section 20128.5 provides that counties may award annual contracts up to a maximum allowable contract value of \$4,659,196 (\$3,000,000 in 1998 increased annually by the California Consumer Price Index). Due to the success of the program, the great need, and the satisfactory performance by John F. Otto Inc. and Mark Scott Construction, on September 20, 2016, the Board approved Change Order No. 1 with John F. Otto, Inc. (JOC 002) and Mark Scott Construction (JOC 003) to increase the contract amount each by \$2,500,000 to a new contract amount of \$4,500,000.

The JOC Program has been a valuable construction project delivery tool for the term of the JOC contracts. Under the JOC program, the Public Works Department has assigned 41 projects; 11 projects completed, 21 projects which are in construction, and 9 projects under review and slated to be completed under the existing contracts. As we near the expiration date and reach maximum contract amounts for the existing job order contracts, other projects are still eligible to be accomplished under the JOC program. There is a great need to continue utilizing the JOC program.

Bid documents for Job Order Contracts 004, 005, 006, and 007, including plans and specifications for typical work, have been updated for the Public Works Department by Gordian. The maximum contract value for each annual JOC contract is \$4.5 million (\$3.0 million adjusted by the Consumer Price Index per Public Contract Code Section 20128.5). The general prevailing wage rates are on file with the Clerk of the Board of Supervisors and will be the

minimum rates paid on the projects covered by the annual JOC contracts. The contractors to be awarded the annual JOC contracts will be the lowest responsive and responsible bidders and their good faith effort documentation will have to comply with the County's Outreach Program requirements where appropriate.

California Environmental Quality Act (CEQA) requirements will be determined and addressed on a project-by-project basis as projects occur. If annual JOC contracts are ultimately awarded under this solicitation, each will be for a term of 12 months. The County reserves the right to award one or more of Job Order Contracts 004, 005, 006, and 007. The County is not required to award all four contracts and is not required to award any contract if the bid pricing is unfavorable.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If JOC bid solicitation is not approved and authorized, the County will not have the resources to complete deferred maintenance projects as described in the FLIP report and other County construction projects involving repair, remodeling, and other repetitive work.

SLAI O

Contra Costa County

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: APPROVE and AUTHORIZE Amendment No. 1 to Consulting Services Agreement with Interactive Resources, Inc.

for As-Needed Architectural Services

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute a contract amendment with Interactive Resources, Inc., effective February 7, 2017, to increase the payment limit by \$400,000, to a new payment limit of \$900,000, and to extend the term to October 13, 2019 with a one-year extension option, for as-needed architectural services, Countywide.

#### **FISCAL IMPACT:**

\$400,000 from 100% various funds.

#### **BACKGROUND:**

On October 13, 2015, the Board of Supervisors approved an as-needed Consulting Services Agreement with Interactive Resources, Inc. in an amount of \$500,000. Interactive Resources, Inc. is under contract to provide as-needed architectural services for various ongoing projects.

Interactive Resources was selected through a competitive qualifications-based selection process. The Public Works Department requested Statements of Qualifications ("SOQs"), and received 28 SOQs, and ten firms were short-listed. A selection committee comprised of County staff conducted interviews

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNTY	ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED  OTHER
	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Ramesh Kanzaria, (925) 313-2000	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### BACKGROUND: (CONT'D)

and ranked the short-listed firms. The amendment includes a one year extension option that can be exercised by the Public Works Director if she chooses. It is recommended that Interactive Resources, Inc. be awarded the amendment for their as-needed agreements at this time.

Additional fees will be used for the existing and additional projects which include remodels, tenant improvements, additions, modernization, mechanical, electrical, and plumbing upgrades, and code-related improvements. Projects may also include investigations, studies, and reports. Some of the anticipated projects include those identified in the County's facilities life-cycle investment program ("FLIP") under the recent budget allocation for capital projects and deferred maintenance. Having this as-needed agreement in place will allow the design phase to commence sooner and provide for a shorter project completion schedule.

## **CONSEQUENCE OF NEGATIVE ACTION:**

If this amendment is not approved, projects currently in process will be delayed, which will ultimately result in higher project costs.

SAA OU ST

Contra Costa County

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: AWARD the Construction Contract for the Remodeling of the 1st, 3rd, and 4th Floors at 900 Ward Street, Martinez,

Project (WH128B)

#### **RECOMMENDATION(S):**

- (1) APPROVE the design, plans, and specifications for the above project.
- (2) DETERMINE that the bid submitted by Southland Construction Management Inc. ("Southland Construction") complied with the requirements of the County's Outreach Program for this project, as provided in the project specifications, and FURTHER DETERMINE that Southland Construction submitted the lowest responsive and responsible bid for this project.
- (3) AWARD the construction contract for the above project to Southland Construction in the amount of \$769,335 and DIRECT that the Public Works Director, or designee, prepare the contract.
- (4) DIRECT that Southland Construction shall submit two good and sufficient security bonds (performance and payment bonds) in the amount of \$769,335 each.
- (5) ORDER that, after the contractor has signed the contract and returned it, together with the bonds, evidence of insurance, and other required documents, and the Public Works Director has reviewed and found them to be sufficient, the Public Works Director, or designee, is authorized to sign the contract for this Board.
- (6) ORDER

<b>✓</b> APPROVE	OTHER	
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Action of Board On: 02/14/2017 APPROVED AS RECOMMENDED OTHER  Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.	
	ATTESTED: February 14, 2017	
Contact: Ramesh Kanzaria, (925) 313-2000	David J. Twa, County Administrator and Clerk of the Board of Supervisors	
	By: , Deputy	

cc: Mark Peterson, District Attorney

#### RECOMMENDATION(S): (CONT'D)

that, in accordance with the project specifications and upon signature of the contract by the Public Works Director, or designee, any bid bonds posted by the bidders are exonerated and any checks or cash submitted for bid security shall be returned.

- (7) AUTHORIZE the Public Works Director, or designee, to sign any escrow agreements prepared for this project to permit the direct payment of retentions into escrow or the substitution of securities for moneys withheld by the County to ensure performance under the contract, pursuant to Public Contract Code Section 22300.
- (8) AUTHORIZE the Public Works Director, or designee, to order changes or additions to the work pursuant to Public Contract Code Section 20142.
- (9) DELEGATE, pursuant to Public Contract Code Section 4114, to the Public Works Director, or designee, the Board's functions under Public Contract Code Sections 4107 and 4110.

#### FISCAL IMPACT:

100% General Fund.

#### **BACKGROUND:**

The purpose of the project is to renovate the District Attorney's Office, which is in need of additional office space. The 3rd floor law library will be converted into office space for law clerks and the 4th floor patio will be converted into cubicle offices. Currently, there is one shower and locker room for both sexes. A portion of the 1st floor copy room will be converted to provide an additional shower and locker room.

The construction cost estimate is \$710,000, and the general prevailing wage rates will be the minimum rates paid on this project. Bids were received and opened by the Public Works Department on January 12, 2017, and the bid results are as follows:

BIDDER	BASE BID	
Southland Construction, Pleasanton	\$769,335	
W.A. Thomas, Martinez	\$917,000	
CWS Construction Group, Novato	\$928,000	
Vila Construction, Richmond	\$932,789	
Marvin Collins Construction, Hercules	\$1,134,833	

All base bids were above the consultants preliminary construction cost estimate of \$710,000. Southland Construction submitted the lowest responsive and responsible bid of \$769,335, which is \$147,665 less the next lowest bid submitted by W.A. Thomas. Staff has determined that Southland Construction's bid is responsive and their good faith effort documentation complies with the County's Outreach Program. Staff recommends that the bid be awarded to Southland Construction in the amount of \$769,335.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If the project is not approved, the facility will be unable to meet the needs of existing staff.

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Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 14, 2017

Subject: Allocation of Fiscal Year 2016/17 and FY 2017/18 Housing Opportunities for Persons with HIV/AIDS (HOPWA)

#### **RECOMMENDATION(S):**

APPROVE the allocation of \$75,000 of Housing Opportunities for Persons with HIV/AIDS (HOPWA) funds from Fiscal Years 2016/17 and 2017/18 to Resources for Community Development to assist in the construction of a mixed-use development that will include 45 units of multifamily affordable housing called the St. Paul's Commons project in the City of Walnut Creek.

#### **FISCAL IMPACT:**

No General Fund impact. One hundred percent federal funds. HOPWA funds are provided to the County on a formula basis through the City of Oakland.

#### **BACKGROUND:**

The National Affordable Housing Act (Public Law 101-625, approved November 28, 1990) authorizes the Housing Opportunities for Persons with AIDS Program (HOPWA) to provide states and localities with resources to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and related diseases.

The City of Oakland (City) is the HOPWA grant recipient for Alameda and Contra Costa counties. The City allocates the HOPWA funds between the City and counties on a fair share allocation basis. These funds may be used for site acquisition, rehabilitation and new construction of affordable housing, supportive services, housing information services, rent and utility subsidies, and certain other housing related activities for low-income persons living with HIV/AIDS in both incorporated and unincorporated areas of the County.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CI	NTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017  Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Kristin Sherk, (925) 674-7887	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### BACKGROUND: (CONT'D)

The Contra Costa Consortium (County staff and staff from the Cities of Antioch, Concord, Pittsburg, and Walnut Creek) make funding recommendations regarding HOPWA to the Board of Supervisors. The current funding recommendation is the result of a competitive application process initiated in October 2016. A Notice of Funding Availability was sent to over 100 jurisdictions, public agencies, affordable housing developers and interest groups active in the County. The Department of Conservation and Development received one application requesting \$75,000 in HOPWA funds.

The Consortium met on December 15, 2016 to consider staff recommendations for the St. Paul's Commons project. The Consortium recommends that the Board of Supervisors allocate \$75,000 in HOPWA funds to Resource for Community Development (RCD) to assist in the new construction of St. Paul's Commons.

The recommended HOPWA allocation includes \$66,376 from FY 2016/17 and \$8,624 from FY 2017/18. The FY 2017/18 HOPWA funds are contingent on the County executing an agreement for HOPWA funds with the City of Oakland. In addition to HOPWA, RCD is proposing to use \$800,000 in HOME Investment Partnership Act (HOME) funds and \$1,000,000 in Community Development Block Grant (CDBG) funds from the County. These funding recommendations are included in a separate action under consideration to the Board today. In addition, RCD is also proposing to use the following funds: City of Walnut Creek funds (\$5,000,000), low income housing tax credit equity (\$12,172,072), developer equity (\$823,764), Affordable Housing Program (\$440,000), land donation (\$2,250,000) and deferred developer fee (\$47,281).

RCD, in partnership with St. Paul's Episcopal Church, is proposing to develop St. Paul's Commons, which involves the new construction of a 45-unit affordable housing development on a 0.64 acre site in Walnut Creek. The property is owned by St. Paul's Episcopal Church and it intends to lease the site to RCD after construction at below market rate. St. Paul's Commons will target households with incomes ranging from 30 percent to 60 percent of the Area Median Income (AMI). The development will include 30 studios, 14 one-bedroom units and a two-bedroom unit for the resident property manager. A total of 19 units will be designated as HOME units; one of the studio units will also be designated as a HOPWA unit. In accordance with HOPWA regulations, RCD will contract with the County Health Services Department HIV/AIDS Program to be the lead services agency and provider of services to the resident at St. Paul's Commons. The development will also include community spaces including a property management office, a community center, resident roof deck, services office, shared computer terminals for residents, bike parking, and a laundry room.

The Walnut Creek City Council has endorsed and supported the project with \$5 million in funding by providing funding for the construction of the housing as well as predevelopment money.

Legal documents for the project will include a loan agreement, a promissory note, a deed of trust and security agreement, a regulatory agreement, and a subordination agreement. Other documents that may be required include an assignment and assumption agreement and one or more estoppel agreements. The intercreditor agreement will include repayment terms including a share of any excess proceeds of financing at the end of construction. These documents will be submitted for Board of Supervisors approval at a later date prior to the start of construction.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If the Board of Supervisors does not approve this allocation of HOPWA funds, St. Paul's Commons may not be viable at this time.

#### CHILDREN'S IMPACT STATEMENT:

The construction of affordable housing is consistent with outcome #3 of the Children's Report Card: Families are Economically Self Sufficient.

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Amendment #74-314-8 with Shelter, Inc. of Contra Costa County



Contra Costa County

## **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract Amendment Agreement #74-314-8 with Shelter, Inc. of Contra Costa County, a non-profit corporation, effective February 1, 2017, to amend Contract #74-314-7, to increase the payment limit by \$246,226, from \$2,030,447 to a new payment limit of \$2,276,673, with no change in the original term of August 1, 2016 through June 30, 2017.

#### **FISCAL IMPACT:**

This amendment is funded 100% by Mental Health Services Act (No rate increase)

### **BACKGROUND:**

cc: D Morgan, M Wilhelm

This Contract meets the social needs of the County's population in that it provides support services to County residents that are homeless and have a diagnosis of mental illness or a dual-diagnosis of mental illness and substance abuse, and are receiving services of Contract Costa County Mental Health or other approved referral agencies.

✓ APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF	COMMITTEE RECOMMENDATION OF BOARD
Action of Board On: 02/14/2017 Clerks Notes:	7 APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Cynthia Belon, 957-5201	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### BACKGROUND: (CONT'D)

On October 25, 2016, the Board of Supervisors approved Contract #74-314-7 with Shelter, Inc. of Contra Costa County for the provision of housing assistance services to severely and persistently mentally ill (SPMI) youth and adults including the master-lease rental units, for the period from August 1, 2016 through June 30, 2017.

Approval of Contract Amendment Agreement #74-314-8 will allow the Contractor to provide additional housing assistance services through June 30, 2017.

## **CONSEQUENCE OF NEGATIVE ACTION:**

If this amendment is not approved, County will not have enough master-lease rental units to meet demand for placement of County's SPMI Clients.

SLAL VI

Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 14, 2017

Subject: Urban Tilth Contract Amendment - Park Dedication/Impact Funds

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute a contract amendment with Urban Tilth, a 510(c)(3) nonprofit corporation, to provide electrical and security infrastructure, and to reapportion the existing contract budget for the development of an Urban Farm in North Richmond, with no change to the payment limit or the term December 31, 2015 through December 31, 2018.

#### **FISCAL IMPACT:**

cc:

No Impact to the County's General Funds. Funds are from the Park Dedication/Park Impact Trust Fund. No new funds will be allocated to the project as a result of the recommended action.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Kristine Solseng (925) 674-7809	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### **BACKGROUND:**

**Urban Tilth's Urban Farm Project:** Urban Tilth's Roots and Restoration Farm ("Farm") is proposed to be a 3.1 acre Agricultural Park and Riparian Restoration Learning Center located at 323 Brookside Drive in North Richmond. The goal of the Farm is to provide the community a place to discover the power of the natural world by working, learning, playing, and cultivating an open, multi-functional site to grow healthy food while nurturing sustainable habitat and ecosystems. Potential components of the project include a working farm, a "You Pick It" learning garden, an outdoor kitchen, creek and garden classrooms, and a youth-run market stand. Supervisor Gioia's office has been working extensively with Urban Tilth on the development and implementation of this project. The idea came out of his visit to Zenger Farms, an urban farm partnership with the City of Portland. Park Dedication funds were previously approved for planning, design, other predevelopment activities, project management, and preparation/implementation of a soil management plan.

**Proposed Amendment:** As Urban Tilth has moved forward in implementing elements of the Farm, the need for electricity to help power the tools needed to make approved improvements along with the need to power a security system has become an urgent need. However, this particular task is not funded by Park Dedication or any other grant funding. The proposed Amendment will add an additional task to the contract to allow Urban Tilth to fund electrical and security infrastructure at the site. Funds will be moved from existing tasks (environmental and site analysis/studies and architect and engineering design) due to lower than expected costs associated with those activities combined with Urban Tilth's success in securing additional grant funding.

#### **Project History:**

- In 2013, the Board of Supervisors (Board) approved the conveyance of the Brookside Drive site from the Contra Costa County Flood Control and Water Conservation District to the County and approved allocating \$225,000 in park dedication funds for the County to purchase the subject site from Flood Control.
- On August 12, 2014 Urban Tilth signed a ten-year lease with the County for the subject property. The lease includes an option to extend for two additional 10-year terms.
- On October 7, 2014, the Board approved the recommendation from the Planning Commission to adopt a General Plan Amendment to add new policies in the Contra Costa County General Plan Land Use Element for the North Richmond Area to support and promote urban agriculture.
- On December 2, 2014, the Contra Costa County Board of Supervisors approved and authorized Urban Tilth to receive \$435,000 in Park Dedication Funds and enter into a contract for the implementation of those funds.
- On December 8, 2015, the Contra Costa County Board of Supervisors approved and authorized Urban Tilth to receive an additional \$22,000 to develop and implement a Soil Management Plan.
- On September 15, 2016, the Department of Conservation and Development approved a North Richmond Administrative Permit allowing for the establishment of the Urban Tilth North Richmond Farm.

The table below shows how the \$457,000 are currently programmed and the proposed modified budget with the new task included.

#### Proposed Modifications to Budget for Park Dedication/Park Impact Funds

Task	Amount - Approved Previously	Amount - Proposed
Environmental and Site Analysis/Studies	\$107,321	\$92,321
Architect and Engineering Design	\$195,520	\$170,520
Project Management/Coordination	\$102,159	\$102,159
Soil Management Plan and Implementation	\$52,000	\$52,000
NEW: Design and installation of Electrical and Security Infrastructure	\$ -	\$40,000
Total	\$457,000	\$457,000

**Project Timeline:** The project is anticipated to be completed by the end of 2018.

California Environmental Quality Act (CEQA): The proposed new task is consistent with the existing North Richmond Administrative Permit and does not require any CEQA review. Other, future developments at the Farm are currently under CEQA review. Urban Tilth has applied a Tree Permit and staff has recommended they submit a concurrent Land Use Permit application for the proposed caretaker mobile home. These elements, along with the proposed water and sewer infrastructure, are currently being reviewed for CEQA compliance.

It is policy of the County to utilize park dedication and park impact funds to meet local park needs. The use of park dedication/park impact funds to help finance the development of the Farm is consistent with that policy. No additional park dedication or park impact funds are requested at this time.

#### CONSEQUENCE OF NEGATIVE ACTION:

Not approving the additional tasks will negatively impact the ability of Urban Tilth to proceed with the proposed Farm project and will jeopardize the security of their site.

#### CHILDREN'S IMPACT STATEMENT:

The proposed project will support the following community outcomes established in the Children's Report Card: 1) Children and youth are healthy and preparing for a productive adulthood; 2) Families are safe, stable and nurturing; 3) Communities are safe and provide a high quality of life for children and families.

### **ATTACHMENTS**

**Proposed Amendment Specifications** 

# **Amendment Specifications**

In order to more accurately describe the Contractor's obligation under the
Contract, the original Service Plan, as amended, is being deleted in its entirety and
replaced with the Service Plan attached hereto.

All other	terms of t	the Contract,	as previously	amended,	remain un	ichanged.

Initials:		
	Contractor	County Dept.

Contra Costa County Standard Form L-3 Revised 2008

# SERVICE PLAN OUTLINE (Purchase of Services - Long Form)

Number 8136 36502

# SERVICE PLAN Effective February 14, 2017

Contractor is responsible for the development of an approximately 3-acre community park on the unimproved real property located in the North Richmond area of County of Contra Costa that is commonly known as 323 Brookside Drive, Richmond, California. The park to be developed must conform to the County's General Plan policies for the North Richmond area, contained in Section 3.8 of the General Plan. In addition, the park must support and promote urban agriculture in the North Richmond area.

As part of the development of the community park, Contractor shall (i) conduct environmental and site analysis and studies, (ii) engage an architect and an engineer to design the park, (iii) provide project management and administrative services, (iv) develop and implement a soil management plan, and (v) design and install electrical service, a generator, and security equipment such as perimeter lights and alarms. Please note, development and implementation of a soil management plan includes, but is not limited to, procuring soil amendments, testing the soil for nutrients and specific contaminants and implementing soil improvements practices such as cover cropping, sheet mulching and other soil building practices that are not chemical-based

The table below shows the estimated use of these funds:

Environmental and Site Analysis/Studies	\$ 92,321
Architect and Engineering Design	\$ 170,520
Project Management/Coordination	\$ 102,159
Soil Management Plan/Implementation	\$ 52,000
Utilities and Security Infrastructure	\$ 40,000

If possible, Contractor may also commence construction at the site.

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Contra Costa County

To: Contra Costa County Flood Control District Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: Contract Amendment with Environmental Science Associates for Lower Walnut Creek Restoration Project, Martinez

area. Project No. 7520-6B8285

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Chief Engineer, or designee, of the Contra Costa County Flood Control and Water Conservation District, to execute a contract amendment with Environmental Science Associates, to extend the term from February 14, 2017 through December 31, 2017, and to increase the payment limit by \$200,000, to a new payment limit of \$790,042, to provide planning and project development services for the Lower Walnut Creek Restoration Project, Martinez area.

### FISCAL IMPACT:

This project is 100% funded by Flood Control Zone 3B (Walnut Creek watershed) funds.

#### **BACKGROUND:**

On June 25, 2013, the Board of Supervisors authorized the FC District to remove the lowest four miles of the Army Corps of Engineers' "Walnut Creek Project" from Corps oversight. The FC District sought this removal to return the facility to local control and permit the FC District to manage it in a more sustainable manner. Legislation was subsequently introduced to selectively deauthorize Lower Walnut Creek from the system.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	TTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Crystal O'Dell, (925) 313-2023	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc: Mike Carlson, Deputy Chief Engineer, Paul Detjens, Flood Control, Crystal O'Dell, Flood Control, Catherine Windham, Flood Control

### BACKGROUND: (CONT'D)

This legislation was approved by Congress and signed by President Obama on June 10, 2014.

After deauthorization and return of the facility to local control, the FC District embarked on the Lower Walnut Creek Restoration Project, which encompasses the lowest four miles of Walnut Creek and Pacheco Creek. The objective of this restoration project is to transform this stretch of channel to a sustainable flood control facility. The FC District is in the midst of a multi-year, community based planning process to determine the most feasible and cost effect alternative that meets the project's objectives. Environmental Science Associates (ESA) is the specialized consultant leading this planning effort.

This contract amendment extends the completion date and raises the total contract amount. The completion date extension is needed to provide enough time to fully incorporate community input, and to accommodate various planning activities that are taking longer to accomplish than originally anticipated. The raise in contract amount by \$200,000 allows ESA to perform additional tasks (such as additional wetlands habitat mapping and sea level rise analyses) that the FC District identified as beneficial for the overall Lower Walnut Creek Restoration planning process, but were not included in the original project scope.

### CONSEQUENCE OF NEGATIVE ACTION:

If the amendment is not approved, the consultant will not be able to perform the additional work or be paid for it. The FC District and Environmental Science Associates have been jointly conducting a community based planning effort that needs more time to complete.

To: **Board of Supervisors** 

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #27-291-13 with Bay Area Retina Associates



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #27-291-13 with Bay Area Retina Associates, a partnership, in an amount not to exceed \$1,000,000, to provide ophthalmology services for Contra Costa Health Plan members for the period from February 1, 2017 through January 31, 2019.

### **FISCAL IMPACT:**

This Contract is funded 100% by Contra Costa Health Plan Enterprise Fund II (No Rate increase)

### **BACKGROUND:**

On March 10, 2015, the Board of Supervisors approved Contract #27-291-12 with Bay Area Retina Associates, Medical Group, for the period from February 1, 2015 through January 31, 2017, to provide ophthalmology services to Contra Costa Health Plan members. Approval of Contract #27-291-13 will allow the Contractor to continue to provide ophthalmology services through January 31, 2019.

### CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, certain specialized professional health care services for its members under the terms of their Individual and Group Health Plan membership contracts with the County will not be provided.

<b>✓</b> APPROVE	OTHER	
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE	
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER	
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.	
	ATTESTED: February 14, 2017	
Contact: Patricia Tanquary 925-313-6004	David J. Twa, County Administrator and Clerk of the Board of Supervisors	
	By: , Deputy	
ce: A Floyd M Wilhelm		

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #27-773-4 with Manoj Desai, M.D.



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #27-773-4 with Manoj Desai, M.D., in an amount not to exceed \$300,000, to provide pediatric primary care services for Contra Costa Health Plan members for the period from February 1, 2017 through January 31, 2019.

### **FISCAL IMPACT:**

This Contract is funded 100% by Contra Costa Health Plan Enterprise Fund II. (No Rate increase)

### **BACKGROUND:**

On March 31, 2015, the Board of Supervisors approved Contract #27-773-3 with Manoj Desai, M.D., for the period from February 1, 2015 through January 31, 2017, to provide pediatric primary care services, for Contra Costa Health Plan members. Approval of Contract #27-773-4 will allow the Contractor to continue to provide pediatric primary care services through January 31, 2019.

### **CONSEQUENCE OF NEGATIVE ACTION:**

If this contract is not approved, certain specialized professional health care services for its members under the terms of their Individual and Group Health Plan membership contracts with the County will not be provided.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF CN	TY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a tr Board of Supervisors on the d	rue and correct copy of an action taken and entered on the minutes of the ate shown.
	ATTESTED: February	y 14, 2017
Contact: Patricia Tanquary 925-313-6004	David J. Twa, County A	Administrator and Clerk of the Board of Supervisors
	By: , Deputy	
ca: A Floyd M Wilhelm		

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #26-590-20 with The Greeley Company, LLC



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #26-590-20 with The Greeley Company, LLC, a Limited Liability Company, in an amount not to exceed \$350,000, to provide consulting for regulatory compliance, on site nursing management, and data analysis services at Contra Costa Regional Medical Center and Health Centers (CCRMC) for the period from January 1, 2017 through December 31, 2017.

### FISCAL IMPACT:

This Contract is funded 100% Hospital Enterprise Fund I. (No rate increase)

### **BACKGROUND:**

In January 2014, the County Administrator approved and the Purchasing Services Manager executed Contract #26-590-11 (as amended by Contract Amendment/Extension Agreements #26-590-12, #26-590-13, #26-590-15, and #26-590-18 and Contract Amendment Agreements #26-590-14, #26-590-16, #26-590-17, and #26-590-19) with The Greeley Company, LLC, for the provision of consulting for regulatory compliance, on site nursing management, and data analysis services, for the period from September 1, 2013 through December 31, 2016. Approval of Contract #26-590-20 will allow Contractor to continue providing consulting for regulatory compliance, on site nursing management, and data analysis services at CCRMC through December 31, 2017.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CI	NTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Patrick Godley, 925-957-5405	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc: K Cyr, M Wilhelm

If this contract is not approved,	County will not have access to	Contractor's services.

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #25-077 with Contra Costa Interfaith Housing, Inc.



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #25-077 with Contra Costa Interfaith Housing, Inc., a non-profit corporation, in an amount not to exceed \$430,000, to provide housing navigation services to the County's Emergency Shelter System for the period from November 1, 2016 through September 30, 2017.

### **FISCAL IMPACT:**

This Contract is funded 95% Housing and Urban Development Coordinated Entry; and 5% General Funds.

### **BACKGROUND:**

This Contract meets the social needs of County's population by providing support services to Contra Costa County families that are homeless, including case management, day shelter services, transportation needs, mental health assessment and crisis intervention. Under Contract #25-077, the Contractor will provide housing navigation services to the County's Emergency Shelter System including a 2-1-1 information telephone line 24 hours a day/7 days a week as part of Coordinated Assessment Resource Centers and Capable Centers for the Homeless Coordinated Entry System of CARE, through September 30, 2017.

<b>✓</b> APPROVE	OTHER
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Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED  OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: LAVONNA MARTIN 925-313-7704	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
cc: D Morgan	

If this contract is not approved, families that are homeless will not have access to Contractor's services.

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #27-640-8 with Noel T.D. Chiu, M.D., AMC



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or designee to execute on behalf of the County, Contract #27-640-8 with Noel T.D. Chiu, M.D., AMC, in an amount not to exceed \$800,000, to provide dermatology services to Contra Costa Health Plan (CCHP) members for the period from February 1, 2017 through January 31, 2019.

### **FISCAL IMPACT:**

This Contract is funded 100% by Contra Costa Health Plan Enterprise Fund II. (No rate increase)

### **BACKGROUND:**

On February 10, 2015, the Board of Supervisors approved Contract #27-640-7 with Noel T.D. Chiu, M.D., A Medical Corporation for the period from February 1, 2015 through January 31, 2017, to provide dermatology services. Approval of Contract #27-640-8 will allow the Contractor to continue to provide dermatology services through January 31, 2019.

### **CONSEQUENCE OF NEGATIVE ACTION:**

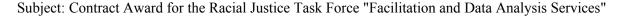
If this contract is not approved, patients requiring dermatology services at CCHP will not have access to Contractor's services, which may result in a reduction in the overall levels of service to the community.

<b>✓</b> APPROVE		OTHER
<b>▶</b> RECOMMENDATION OF CN		RECOMMENDATION OF BOARD
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECO	OMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true Board of Supervisors on the dat	e and correct copy of an action taken and entered on the minutes of the e shown.
	ATTESTED: February	14, 2017
Contact: Patricia Tanquary 925-313-6004	David J. Twa, County Ad	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	
cc: A Floyd, M Wilhelm	·	

To: Board of Supervisors

From: PUBLIC PROTECTION COMMITTEE

Date: February 14, 2017





Contra Costa County

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract with Resource Development Associates in an amount not to exceed \$170,000 to provide facilitation and data analysis services to the Racial Justice Task Force for the period February 14, 2017 through June 30, 2018, as recommended by the Public Protection Committee.

### **FISCAL IMPACT:**

The CAO's FY 2016-17 budget (org. 1215) includes \$225,000 of AB 109 Public Safety Realignment funding for data evaluation and system planning work. \$170,000 of this funding has been allocated to the Racial Justice Task Force's Facilitation and Data Analysis services.

### **BACKGROUND:**

1.

cc:

The Public Protection Committee first considered this matter on its agenda in July 2015 in response to an April 2015 letter to the Board of Supervisors from the Racial Justice Coalition. After PPC discussion and direction, staff returned with a comprehensive report to the PPC in September 2015 with data related to race in the local justice system, the County's Workplace Diversity Training, and information regarding outside diversity and implicit bias trainings. In November 2015 the PPC discussed the data from the September 2015 staff report and how it compared to the County's 2008 report on Disproportionate Minority Contacts (DMC) in the local juvenile justice system. This led to joint recommendations to the PPC in December 2015 by the Chief Probation Officer, District Attorney, and Public Defender that included:

<b>✓</b> APPROVE	OTHER			
RECOMMENDATION OF CNTY ADMINISTRATOR COMMITTEE				
Action of Board On: <b>02/14/2017</b> Clerks Notes:	APPROVED AS RECOMMENDED OTHER			
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.  ATTESTED: February 14, 2017			
Contact: L. DeLaney, 925-335-1097	David J. Twa, County Administrator and Clerk of the Board of Supervisors			
	By: , Deputy			

### BACKGROUND: (CONT'D)

the County convene a Task Force to revisit and expand upon the findings of the County's 2008 juvenile justice DMC report,

- the County enter into a contract for a facilitator to help guide the Task Force through this process, and
- a researcher be paid to help the Task Force collect and analyze data during the process.

  In April 2016, the Board of Supervisors accepted recommendations from the PPC to form a 17-member Task Force and approved the following final composition in September 2016:

### **Contra Costa County Racial Justice Task Force**

Seat	Member	Title/Affiliation/District
County Probation Officer	Todd Billeci	Chief Probation Officer
Public Defender	Robin Lipetzky	Public Defender
District Attorney	Tom Kensok	Assistant District Attorney
Sheriff-Coroner	John Lowden	Captain, Sheriff's Office
Health Services Director	Dr. William Walker	Health Services Director
Superior Court Designee	Magda Lopez	Director of Court Programs and Services
County Police Chief's Association	Bisa French	Assistant Chief, Richmond Police Department
Mt. Diablo Unified School District	Debra Mason	Board Member
Antioch Unified School District	Bob Sanchez	Director of Student Support Services
West Contra Costa Unified School District	Marcus Walton	Communications Director
Mental Health Representative	Christine Gerchow, PhD.	Psychologist, Martinez Juvenile Hall; District IV Resident
At Large Member of the Public	Harlan Grossman	Past Chair AB109 CAB; GARE Participant; District II Resident
CBO Seat 1	Stephanie Medley	RYSE Center; Past Chair AB109 CAB; District I Resident
CBO Seat 2	Donnell Jones	CCISCO; District I Resident
CBO Seat 3	Edith Fajardo	ACCE Institute; District IV Resident
CBO Seat 4	My Christian	CCISCO; District III Resident
CBO Seat 5	Dennisha Marsh	First Five CCC, City of Pittsburg Community Advisory Council; District V Resident

Following up the remaining recommendations from above, in September 2016 County Administrator staff worked with the Reentry Coordinator and representatives from the AB 109 Community Advisory Board (CAB), the District Attorney's Office (Tom Kensok), the Public Defender Robin Lipetzky, and the Racial Justice Coalition (Jeff Landau) to develop and release a Request for Proposals (RFP) to secure "Facilitation and Data Analyst Services" to help guide the work of the Task Force. The composition of a Review Panel was also selected that consisted of four representatives from the County's law and justice partners (District Attorney, Probation, Sheriff, and Public Defender) and four representatives of the public that were appointed by the Racial Justice Coalition.

When no responses were received to this initial RFP, CAO staff solicited input from attendees of the Bidders Conference as to their reasons for not submitting a response and refashioned the solicitation into a Request for Qualifications (RFQ) that was released on December 12, 2016. With these changes, three qualifying responses were received by the County Administrator by the deadline from: Informing Change, Learning for Action, and Resource Development Associates. The following Review Panel was then convened to review each of these

### Review Panel for Contra Costa County RFQ #1612-205[1]

Name	Affiliation
Lesha Roth	Contra Costa Probation Department
Robin Lipetzky	Contra Costa Public Defender
Tom Kensok	Contra Costa District Attorney's Office
John Lowden	Contra Costa Office of the Sheriff-Coroner
Stephanie Medley[2]	RYSE Center
Claudia Jimenez	Racial Justice Coalition
Tamisha Walker	Safe Return Project

### **Panel Process and Recommendation**

The Review Panel convened to review and score the responses on January 17, 2017, using a consensus scoring process that produced a single score for each response. The Review Panel then decided to interview the responders with the two highest scores on January 30, 2017. When the process was complete, and based on the scores below, the Review Panel reached a consensus recommendation that the County contract with Resource Development Associates for both "Facilitation and Data Analyst Services" related to the work of the Racial Justice Task Force.

As part of their final deliberations, and based on the expected scope of services to be provided, several Members of the Review Panel wanted to ensure that their recommendation included an acknowledgement that they would have preferred the scoring devote a larger proportion of points specifically dedicated to a firm's understanding and experience as it relates to cultural competence, diversity, and race related issues.

### Final scoring for RFQ#1612-205

	Informing Change	Learning for Action	Resource Development Associates
II.1-Agency Overview			
1. Organization's overall services/history	13	14	18
(20pts)	13	14	10
II.2-Qualifications			
1. Capacity to Provide Services (10pts)	7	7	8
2. Technical Expertise (20pts)	8	14	17
3. Experience with Similar Projects (20pt	<b>s)</b> 7	15	17
4. Program Implementation (20pts)	9	14.5	16.5
III. Fee Information			
1. Fees reasonable, cost-effective, and	5	7	8
necessary (10 pts)	3	/	O
Total (100 pts)	49	71.5	84.5

At its February 6, 2017 meeting, the Public Protection Committee reviewed the results and acted to support the recommendation to award the contract to Resource Development Associates.

<sup>[1]</sup> It should be noted that the Racial Justice Coalition appointed a fourth member to the Review Panel, Jovana Fajardo, but Jovana was unable to participate due to unexpected health issues.

<sup>[2]</sup> Due to scheduling changes and conflicts, Stephanie Medley was unable to participate in the interview portion of the process, but was did take part in the consensus scoring of each response.

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Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Purchase Agreement with Dell Marketing L.P.

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Health Services Director, or his designee to execute a Customer Purchase Agreement for Products and Services, a Product Schedule, and a Services Schedule with Dell Marketing L.P., in an amount not to exceed \$239,250 for the purchase of data storage hardware, professional services, and support for the period of February 15, 2017 through March 31, 2018, and annually renewing thereafter.

### **FISCAL IMPACT:**

100% Funding is included in the Hospital Enterprise Fund I Budget.

### **BACKGROUND:**

cc: Tasha Scott, Marcy Wilhelm, Renee Nunez

Storage expansion is required to support the Health Services Department (HSD) Epic Upgrade Project. Epic (ccLink) is the HSD's primary clinical application that supports the Contra Costa Regional Hospital and Clinics and the Contra Costa Health Plan. This purchase will provide the needed disk space to upgrade storage systems between the Martinez and Pittsburg Data Centers. Approval will allow the vendor to continue providing support services through March 31, 2018.

The Customer Purchase Agreement obligates the County to indemnify Dell against any third-party claim resulting from County's violation of Dell's proprietary rights.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF O	CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board
	ATTESTED: February	14, 2017
Contact: David Runt, 925-313-6228	David J. Twa, County Adr	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	

If storage expansion is not purchased, Health Services would not be able to proceed with the Epic Upgrade Project. If the upgrade does not happen, Epic may discontinue support for the Epic application.

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Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Purchase Order with OmniPro, LLC

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Purchasing Agent, on behalf of the Health Services Director, to execute amendment to Purchase Order with OmniPro, LLC to increase the payment limit by \$200,000 to a new payment limit of \$350,000 for additional Lenovo Mini Personal Computers (PCs), laptops, and monitors for a period of September 1, 2016 through August 31, 2017.

### **FISCAL IMPACT:**

100% funding is included in the Hospital Enterprise Fund I Budget.

### **BACKGROUND:**

Health Services Information Technology currently owns Lenovo Mini PC Systems, Lenovo laptops, and other related Lenovo hardware. The Lenovo M900 Tiny PC is a custom configured, ultra slim chassis, designed to fit in our Hospitals and Health Clinic exam rooms. Lenovo laptops are used for mobile health clinics and our information technology staff in the field. All Lenovo hardware includes a 5 year warranty on parts, labor, imaging, and asset tagging. Pricing is fixed under Government NASPO Contract no: MNWNC-117. We are also looking at replacing the PCs in the G ward training facility at the Contra Costa Regional Medical Center with the Lenovo M900 Tiny PC Systems.

<b>✓</b> APPROVE		OTHER
<b>▶</b> RECOMMENDATION OF O	CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RE	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board n.
	ATTESTED: February	14, 2017
Contact: David Runt, 925-313-6228	David J. Twa, County Ada	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	
cc: Tasha Scott, Marcy Wilhelm, Renee 1	Nunez	

If additional equipment is not purchased, it will directly affect hospital staff using this technology to access medical record information.

Shall of the state of the state

Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Purchase Food and Gift Cards for the Whole Person Care Pilot Program

### **RECOMMENDATION(S):**

Authorize the Purchasing Agent on behalf of the Health Services Department, to purchase food for Community Advisory Meetings and Gift Cards for client incentives, in an amount not to exceed \$4,000 (\$2,000 for Safeway gift cards in the amount of \$5 each and \$2,000 for food at meetings) to use for Whole Person Care Pilot Program from January 1, 2017 through December 31, 2017.

### **FISCAL IMPACT:**

Funded 100% by the California Department of Health Care Services' Whole Person Care Pilot funding. No county general funds will be used.

### **BACKGROUND:**

cc: Rachael Birch, Marcy Wilhelm, Tasha Scott

Contra Costa Health Services received funding for a Whole Person Care (WPC) Pilot Program from the California Department of Health Care Services (DHCS). The program provides an integrated physical health, behavioral health, and social services in a patient-centered manner with the goals of improved health and well-being of a vulnerable population. It targets Medi-Cal patients who are high risk, high utilizers of high acuity medical services and/or across multiple delivery systems.

The program includes regular meetings of an advisory board that includes community based organizations and other consumers.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF C	CNTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Dan Peddycord, 925-313-6712	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

If not approved, the Whole Person Care Pilot Program would not be fulfilling the goals outlined in the DHCS application.

Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

To:

Subject: Contract #74-475-60 with La Quesha Green, LCSW



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #74-475-60 with La Quesha Green, LCSW, an individual, in an amount not to exceed \$120,000, to provide Medi-Cal specialty mental health services for the period from February 1, 2017 through June 30, 2018.

### **FISCAL IMPACT:**

This Contract is funded 50% Federal Medi-Cal and 50% State General Fund. (No rate increase)

### **BACKGROUND:**

cc: Tasha Scott, Marcy Wilhelm

On January 14, 1997, the Board of Supervisors adopted Resolution #97/17, authorizing the Health Services Director to contract with the State Department of Mental Health, (now known as the Department of Health Care Services) to assume responsibility for Medi-Cal specialty mental health services. Responsibility for outpatient specialty mental health services involves contracts with individual, group and organizational providers to deliver these services.

Under Contract #74-475-60, the Contractor will provide Medi-Cal specialty mental health services through June 30, 2018.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Cynthia Belon, 925-957-5201	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

If this contract is not approved, services provided to Contra Costa Mental Health Plan Medi-Cal beneficiaries could be negatively impacted, including access to services, choice of providers, cultural competency, language capacity, geographical locations of service providers, and waiting lists.

Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #74-271-86(8) with Alex Smirnoff, MD

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #74-271-86(8) with Alex Smirnoff, MD, an individual, in an amount not to exceed \$140,000, to provide Medi-Cal specialty mental health services for the period from February 1, 2017 through June 30, 2018.

### **FISCAL IMPACT:**

This Contract is funded 50% Federal Medi-Cal and 50% State General Fund. (No rate increase)

### **BACKGROUND:**

On January 14, 1997, the Board of Supervisors adopted Resolution #97/17, authorizing the Health Services Director to contract with the State Department of Mental Health, (now known as the Department of Health Care Services) to assume responsibility for Medi-Cal specialty mental health services. Responsibility for outpatient specialty mental health services involves contracts with individual, group and organizational providers to deliver these services.

On August 12, 2014, the Board of Supervisors approved Contract #74-271-86(6) with Alex Smirnoff, MD, as amended by Administrative Amendment Agreement #74-271-86(7), for the provision of Medi-Cal specialty mental health services, for the period from July 1, 2014 through June 30, 2016.

Approval of Contract #74-271-86(8) will allow Contractor to continue providing mental health services through June 30, 2018.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CI	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Cynthia Belon, 925-957-5201	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
cc: Tasha Scott, Marcy Wilhelm	

If this contract is not approved, services provided to Contra Costa Mental Health Plan Medi-Cal beneficiaries could be negatively impacted, including access to services, choice of providers, cultural competency, language capacity, geographical locations of service providers, and waiting lists.

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Contra Costa

Costa

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #23-448-6 with Garda CL West, Inc.

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #23-448-6 with Garda CL West, Inc., a corporation, in the amount of \$22,500, for the provision of armored transport services to the Contra Costa County Health Services Department for the period February 1, 2017 through January 31, 2018.

### **FISCAL IMPACT:**

This contract is funded 100% Hospital Enterprise Fund I. (No Rate increase)

### **BACKGROUND:**

On April 26, 2016, the Board of Supervisors approved Contract #23-448-5 with Garda CL West, Inc. for the provision of armored transport services to Contra Costa Health Services Department, for the period from February 1, 2016 through January 31, 2017.

Approval of Contract #23-448-6 will allow the Contractor to continue to provide armored transport services to the Contra Costa Health Services Department through January 31, 2018. This contract includes changes to the County Standard General Conditions, Paragraph 18 (Indemnification).

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF O	CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board
	ATTESTED: February 14, 2017	
Contact: Pat Godley, 925-957-5405	David J. Twa, County Adn	ninistrator and Clerk of the Board of Supervisors
	By: , Deputy	
oo: F Suisala M Wilhelm		

If this contract is not approved, Contra Costa County Health Services Department will not have access to Contractor's services.

Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

To:

Subject: Payments for Services Provided by Anka Behavioral Health, Inc.



Contra Costa County

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Auditor-Controller, or his designee, to pay \$30,000 to Anka Behavioral Health, Inc. for mental health outreach services for the homeless mentally ill, for the period July 1, 2016 through December 31, 2016.

### **FISCAL IMPACT:**

100% funding is included in the Mental Health Realignment budget.

### **BACKGROUND:**

cc: E Suisala, M Wilhelm

Anka Behavioral Health, Inc. provides mental health outreach services, including case management, medication support and crisis intervention for the homeless mentally ill, at their facilities in West, Central and East County. On January 19, 2016, the Board of Supervisors approved Contract #24-385-40 for mental health outreach services for the homeless mentally ill for the period from July 1, 2015 through June 30, 2016, including a six-month automatic extension through December 31, 2016. Contract Amendment #24-385-41, increased the payment limit by \$60,000. Due to an administrative oversight, Contract Amendment #24-385-41 did not include increase to the automatic extension payment limit by \$30,000.

Anka

<b>✓</b> APPROVE		OTHER
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Action of Board On: 02/14/2017  Clerks Notes:	APPROVED AS REC	OMMENDED OTHER
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	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.	
	ATTESTED: February	14, 2017
Contact: Cynthia Belon, 925-957-5201	David J. Twa, County Ad	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	

### BACKGROUND: (CONT'D)

Behavioral Health continued to provide homeless outreach and shelter services, using the six-month extension in their contract. Behavioral Health Services Division Administration has therefore determined that Anka Behavioral Health, Inc. is entitled to payment for the reasonable value of their services under the equitable relief theory of quantum meruit. That theory provides that where a person has been asked to provide services without a valid contract, and the provider does so to the benefit of the recipient, the provider is entitled to recover the reasonable value of those services.

### **CONSEQUENCE OF NEGATIVE ACTION:**

Anka Behavioral Health, Inc. will not be paid for services rendered in good faith to the homeless mentally ill of Contra Costa County.

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #27-745-6 with Suraj Cherry, M.D.



Contra Costa County

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #27-745-6 with Suraj Cherry, M.D., an individual, in an amount not to exceed \$400,000, to provide ophthalmology services to Contra Costa Health Plan (CCHP) members for the period from March 1, 2017 through February 28, 2019.

### **FISCAL IMPACT:**

This Contract is funded 100% by Contra Costa Health Plan Enterprise Fund II. (No rate increase)

### **BACKGROUND:**

On March 10, 2015, the Board of Supervisors approved Contract #27-745-5 with Suraj Cherry, M.D., for the provision of ophthalmology services, for the period from March 1, 2015 through February 28, 2017. Approval of Contract #27-745-6 will allow the contractor to continue providing ophthalmology services through February 28, 2019.

### CONSEQUENCE OF NEGATIVE ACTION:

If this contract is not approved, certain specialized professional health care services for its members under the terms of their Individual and Group Health Plan membership contract with the County will not be provided.

<b>✓</b> APPROVE	OTHER	
<b>▼</b> RECOMMENDATION OF CN	Y ADMINISTRATOR COMMITTEE	
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER	
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.	
	ATTESTED: February 14, 2017	
Contact: Patricia Tanquary 925-313-6004	David J. Twa, County Administrator and Clerk of the Board of Supervisors	
	By: , Deputy	
an A Floyd M Wilhelm		

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Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #27-622-7 with Young M. Kim, M.D., (dba Young's OB/GYN)

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #27-622-7 with Young M. Kim, M.D., (dba Young's OB/GYN), an individual, in an amount not to exceed \$400,000, to provide OB/GYN services for Contra Costa Health Plan members for the period from March 1, 2017 through February 28, 2019.

### **FISCAL IMPACT:**

This Contract is funded 100% by Contra Costa Health Plan Enterprise Fund II. (No rate increase)

### **BACKGROUND:**

cc: A Floyd, M Wilhelm

On May 5, 2015, the Board of Supervisors approved Contract #27-622-6 with Young M. Kim, M.D. (dba Young's OB/GYN), for the period from March 1, 2015 through February 28, 2017 to provide OB/GYN services for Contra Costa Health Plan members.

Approval of Contract #27-622-7 will allow the Contractor to continue to provide OB/GYN services through February 28, 2019.

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF CN	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 [Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Patricia Tanquary 925-313-6004	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

If this contract is not approved, certain specialized professional health care services for its members under the terms of their Individual and Group Health Plan membership contract with the County will not be provided.

Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Amendment #74-443-8 with Ujima Family Recovery Services

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract Amendment Agreement #74-443-8 with Ujima Family Recovery Services, a non-profit corporation, effective February 1, 2017, to amend Contract #74-443-7, to increase the payment limit by \$20,000, from \$669,500 to a new payment limit of \$689,500, with no change in the original term of July 1, 2016 through June 30, 2017.

### **FISCAL IMPACT:**

This Amendment is funded 100% by SAMHWorks. (No rate increase)

### **BACKGROUND:**

On September 27, 2016, the Board of Supervisors approved Contract #74-443-7 with Ujima Family Recovery Services for the period from July 1, 2016 through June 30, 2017, for the provision of trauma therapy, case management and assessment services for Substance Abuse and Mental Health (SAMHWorks) clients.

Approval of Contract Amendment Agreement #74-443-8 will allow the Contractor to provide additional services to Clients enrolled in the SAMHWorks program, through June 30, 2017.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true Board of Supervisors on the dat	e and correct copy of an action taken and entered on the minutes of the e shown.
	ATTESTED: February	14, 2017
Contact: Cynthia Belon, 925-957-5201	David J. Twa, County Ad	Iministrator and Clerk of the Board of Supervisors
	By: , Deputy	
cc: E Suisala, M Wilhelm	·	

If this amendment is not approved, Contractor will not be paid for additional services provided to County's clients in need of treatment, case management or SAMHWorks assessments.

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Contra Costa

Costa

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Payments for Services Provided by Jon Whalen, M.D.

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Auditor-Controller, or his designee, to pay \$80,000 to Jon Whalen, M.D. for outpatient psychiatric and administrative services, for the period November 1, 2016 through January 31, 2017.

### **FISCAL IMPACT:**

50% Mental Health Realignment Funds and 50% Federal Financial Participation.

### **BACKGROUND:**

Jon Whalen, M.D., provides mental health outpatient psychiatric services to minors and is the Mental Health Director for Behavioral Health Division. On December 8, 2015, the Board of Supervisors approved Contract #24-403-14, (as amended by Contract Amendment #24-403-15) with Jon Whalen, M.D., for the provision of professional outpatient psychiatric services, including acting on behalf of the County as the Mental Health Director for Behavioral Health, for the period from February 1, 2016 through January 31, 2017. Dr. Whalen took an interim position with the County as Mental Health Director after the departure of Dr. Ross Andelman. During this interim period, Jon Whalen, M.D., was called to provide weekend services and holiday hours to cover for other doctors.

<b>✓</b> APPROVE	OTHER			
RECOMMENDATION OF CNTY ADMINISTRATOR COMMITTEE				
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER			
Clerks Notes:				
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.			
	ATTESTED: February 14, 2017			
Contact: Cynthia Belon 925-957-5201	David J. Twa, County Administrator and Clerk of the Board of Supervisors			
	By: , Deputy			
cc: D Morgan, M Wilhelm				

### BACKGROUND: (CONT'D)

Due to an administrative oversight, the contract payment limit was depleted and this payment is necessary for County to reimburse him for services provided through January 31, 2017.

Jon Whalen, M.D. continued to provide professional outpatient psychiatric services and work as the Behavioral Health Mental Health Director. Behavioral Health Services Division Administration has therefore determined that Jon Whalen, M.D. is entitled to payment for the reasonable value of their services under the equitable relief theory of quantum meruit. That theory provides that where a person has been asked to provide services without a valid contract, and the provider does so to the benefit of the recipient, the provider is entitled to recover the reasonable value of those services.

### **CONSEQUENCE OF NEGATIVE ACTION:**

Jon Whalen, M.D. will not be paid outpatient psychiatric services, including acting on behalf of the County as the Mental Health Director of Contra Costa County.

Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

To:

Subject: Amendment #24-681-2(32) with Susan Martinez (dba God's Grace Homes)



Contra Costa County

#### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract Amendment Agreement #24-681-2(32) with Susan Martinez (dba God's Grace Homes), an individual, effective February 1, 2017, to amend Contract #24-681-2(31), to increase the payment limit by \$50,000, from \$238,800 to a new payment limit of \$288,800, with no change in the original term of July 1, 2016 through June 30, 2017.

#### **FISCAL IMPACT:**

This amendment is funded 100% Mental Health Realignment funds. (Rate increase)

#### **BACKGROUND:**

On May 24, 2016, the Board of Supervisors approved Contract #24-681-2(31) with Susan Martinez (dba God's Grace Homes), for the period from July 1, 2016 through June 30, 2017, for the provision of augmented board and care services for County-referred mentally disordered clients.

Approval of Contract Amendment Agreement #24-681-2(32) will allow the Contractor to provide additional augmented board and care services through June 30, 2017.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/2017  Clerks Notes:	APPROVED AS REC	COMMENDED OTHER
VOTE OF SUPERVISORS		e and correct copy of an action taken and entered on the minutes of the
	Board of Supervisors on the da ATTESTED: February	
Contact: Cynthia Belon, 925-957-5201	David J. Twa, County Ac	dministrator and Clerk of the Board of Supervisors
	By: , Deputy	
co: F Suisala M Wilhelm		

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If this amendment is not approved, contractor will not be paid for additional augment	ted board and care services.

To: **Board of Supervisors** 

From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

Subject: Emergency Services Software Support



Contra Costa County

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Sheriff-Coroner, or designee to execute a contract with O3, Inc., in an amount not to exceed \$120,000 to provide the Emergency Services Unit with WebEOC software support for the term of April 1, 2017 through March 31, 2019.

#### **FISCAL IMPACT:**

100% County General Fund; Budgeted.

#### **BACKGROUND:**

The State adopted WebEOC as its standard for emergency management software. As such, counties were expected to use the software in order to communicate with the State in the event of emergencies. Contra Costa County licenses the software from ESI Acquisition, Inc. but needs assistance with customization, maintenance, and training. The purpose of this contract is for the contractor, O3, Inc., to maintain WebEOC on the County's computer server; to develop web applications (add-ons) to enhance the usability of the software; to provide training for the County and its partners; and to provide support in the event of either an emergency or computer/software problems.

The contract includes a provision obligating the County to indemnify O3, Inc. for claims arising out of the negligence of the County in performing its agreements with the software licensor, ESI Aquisition, Inc.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	✓ APPROVED AS RECOMMENDED ☐ OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Sandra Brown 925-335-1553	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
001	

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If a negative action is recommended on this contract, training for the County and its partners is not likely not happen; and necessary support in the event of either an emergency or computer/software problems will not be readily available.

#### **CHILDREN'S IMPACT STATEMENT:**

No impact.

To: Board of Supervisors

From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

Subject: Contract with John Meyers for helicopter pilot services



Contra Costa County

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Sheriff-Coroner, or designee, to execute a contract amendment with John Meyers to increase the payment limit by \$9,000 to a new payment limit of \$369,800 for helicopter pilot services for the period July 1, 2016 through June 30, 2018. The additional funding is for reimbursement expenses.

#### **FISCAL IMPACT:**

\$369,800.00. Budgeted. No General Fund impact. These expenditures are covered by a combination of agency user fees, annual SLESF (Supplemental Law Enforcement Services Fund) allocation, P-6 Central Administrative Base (Zone) revenue, and indirectly offset by State of California Department of Boating and Waterways grant funding.

#### **BACKGROUND:**

Under this contract, John Meyers will provide pilot services for the Sheriff's helicopters. The helicopter program is an integral element of effective law enforcement operations, providing enhanced patrol, surveillance, and search and rescue capabilities. Continuation of the helicopter program hinges on the services provided under this contract.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	<b>✓</b> APPROVED AS REC	COMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date show	and correct copy of an action taken and entered on the minutes of the Board n.
Contact: Sandra Brown 925-335-1553	ATTESTED: February David J. Twa, County Ad	14, 2017 ministrator and Clerk of the Board of Supervisors
	By: , Deputy	

cc:

#### **CONSEQUENCE OF NEGATIVE ACTION:**

Failure to approve this contract would ground the helicopter and deprive the citizens of Contra Costa County of a vital law enforcement tool. This would limit the Office of the Sheriff to adequately respond to law enforcement emergencies in any terrain, throughout the County.

#### CHILDREN'S IMPACT STATEMENT:

No impact.

To: Board of Supervisors

From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

Subject: Contract with Ron Haver for helicopter pilot services



Contra Costa County

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Sheriff-Coroner, or designee, to execute a contract amendment with Ron Haver to increase the payment limit by \$9,000 to a new payment limit of \$39,000 for helicopter pilot services for the period January 1, 2017 through December 31, 2017. The additional funding is for reimbursement expenses.

#### **FISCAL IMPACT:**

\$39,000.00. Budgeted. No General Fund impact. These expenditures are covered by a combination of agency user fees, annual SLESF (Supplemental Law Enforcement Services Fund) allocation, P-6 Central Administrative Base (Zone) revenue, and indirectly offset by State of California Department of Boating and Waterways grant funding.

#### **BACKGROUND:**

Under this contract, Ron Haver will provide pilot services for the Sheriff's helicopters. The helicopter program is an integral element of effective law enforcement operations, providing enhanced patrol, surveillance, and search and rescue capabilities. Continuation of the helicopter program hinges on the services provided under this contract.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Sandra Brown 925-335-1553	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### **CONSEQUENCE OF NEGATIVE ACTION:**

Failure to approve this contract would ground the helicopter and deprive the citizens of Contra Costa County of a vital law enforcement tool. This would limit the Office of the Sheriff to adequately respond to law enforcement emergencies in any terrain, throughout the County.

#### CHILDREN'S IMPACT STATEMENT:

No impact.

**Board of Supervisors** From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

To:

Subject: Purchase Order - Surtec, Inc.



Contra Costa County

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Purchasing Agent to execute, on behalf of the Sheriff-Coroner, a purchase order with Surtec Inc., in the amount of \$150,000 to supply the County's detention facilities with custodial supplies/specialty products and janitorial equipment repair for the period March 1, 2017 through February 28, 2018.

#### **FISCAL IMPACT:**

\$150,000. 100% General Fund; Budgeted

cc: Liz Arbuckle, Heike Anderson, Tim Ewell

#### **BACKGROUND:**

Surtec Inc., supplies the solutions for the 40 specialized disinfectant dispensers which are installed in all 3 detention facilities. These are dispensers with locks, specifically for the jail environment to keep the inmates from having physical contact with the chemicals. This vendor carries the majority of the cleaning solutions used in facilities that keeps the County detention facilities in compliance with the strict requirements of the Board of Corrections' annual facility inspections and of the State's regulations.

<b>✓</b> APPROVE	OTHER
✓ RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017  Clerks Notes:	APPROVED AS RECOMMENDED OTHER
WOTE OF SUPERWISORS	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Liz Arbuckle, 925-335-1529	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### **CONSEQUENCE OF NEGATIVE ACTION:**

The Sheriff's Office may be unable to acquire needed janitorial products to service the county adult detention facilities.

#### **CHILDREN'S IMPACT STATEMENT:**

No impact.

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Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Contract #23-610 Protiviti Government Services, Inc.

#### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Contract #23-610 with Protivit Government Services, Inc., a corporation, in an amount not to exceed \$110,000, to provide recruitment, temporary help and consulting services for the Department's Health Services Information Systems Division, for the period from February 1, 2017 through June 30, 2018.

#### **FISCAL IMPACT:**

This Contract is funded 100% Hospital Enterprise Fund I.

#### **BACKGROUND:**

Due to the highly specialized experience needed, the Health Services Department is in need of staffing assistance to fill numerous vacant Information Technology positions. The Department has been unsuccessful at recruiting qualified help to cover vacant positions for the specialized consulting and computer programming support needed in the Department's Health Services Information Technology.

Under Contract #23-610 the Contract will provide recruitment, temporary help and consulting services for the Information Systems Division, thought June 30, 2018. This Agreement includes modifications to the County's General Conditions.

<b>✓</b> APPROVE		OTHER
<b>▶</b> RECOMMENDATION OF O	CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board
	ATTESTED: February	14, 2017
Contact: David Runt, 925-313-6228	David J. Twa, County Adr	ministrator and Clerk of the Board of Supervisors
	By: , Deputy	
cc: Tasha Scott. Marcy Wilhelm		

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If this contract is not approved, the Department will not receive continued support regarding the highly specialized consulting and computer programming expertise provided by the Contractor.

STATE OF STA

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: CONTRACT AMENDMENT WITH CAPITA TECHNOLOGIES TO CHANGE CONTRACTOR NAME

#### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract amendment with cFive Solutions, Inc. (formerly Capita Technologies, Inc.), to reflect the change in the contractor's name and authorized representative, with no other material changes, for the continuing provision of software, licensing, and system implementation support for the Probation case management system, through June 20, 2018.

#### **FISCAL IMPACT:**

No additional fiscal impact.

#### BACKGROUND:

On January 3, 2017, the contractor changed its name from "Capita Technologies, Inc." to "cFive Solutions, Inc." by filing an amendment of the company's articles of incorporation with the California Secretary of State. County and Contractor hereby amend Paragraph 1 (b) of the Contract to read as follows:

"Contractor's Name & Address: cFive Solutions, Inc. 23382 Mill Creek Drive, Suite 220 Laguna Hills, CA 92653

#### **CONSEQUENCE OF NEGATIVE ACTION:**

This action is necessary to permit the Auditor to pay the contractor for services rendered.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNTY	ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 Clerks Notes:	APPROVED AS RECOMMENDED  OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Julie DiMaggio Enea (925) 335-1077	, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc: CAO-L&J Unit, CAO

SAAL OF

Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 14, 2017

Subject: Approval to Subordinate the County's Revocable Grant provided to Rubicon Programs for its Virginia Avenue

Apartments in Richmond

#### **RECOMMENDATION(S):**

APPROVE a Subordination Agreement between the County and First Republic Bank, and DIRECT the Director of Conservation and Development to execute the agreement.

#### **FISCAL IMPACT:**

No impact to the General Fund. The County provided a revocable grant to Rubicon Programs for the rehabilitation of its Virginia Street apartments using Mental Health Services Act funds.

#### **BACKGROUND:**

cc:

On March 12, 2008, the County entered into a Revocable Grant Agreement with Rubicon Programs (Rubicon). The County granted Rubicon \$564,332 in Mental Health Services Act funds. The County secured the revocable grant with a Deed of Trust. The County also entered into a Regulatory Agreement that restricts the occupancy of the apartments to low income households that have a member with a mental illness.

The County Deed of Trust and Regulatory Agreement were recorded in junior lien position to an existing Deed of Trust from the State Department of Housing and Community Development (HCD). HCD loaned Rubicon

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Kara Douglas 925-674-7880	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### BACKGROUND: (CONT'D)

\$187,500 in 1981, and the loan was due in 2011. Rubicon tried to negotiate an extended loan term with HCD, but was not successful. Ultimately, it used its own funds to pay the HCD loan. It is now working with First Republic Bank to refinance the property. The new loan will be approximately \$185,000 with an amortization term of 30 years and a balloon payment at the end of 10 to 15 years. First Republic Bank will only provide the loan if the County subordinates its Deed of Trust to the new loan.

The loan will be smaller than the County grant; however, the County will be in the same lien position that it had with the HCD loan.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If the County does not subordinate to the new lender, Rubicon will not be able to close the loan and its funds will not be available for other program uses.

#### **ATTACHMENTS**

**Subordination Agreement** 

RECORDING REQUESTED BY

OLD REPUBLIC TITLE COMPANY

Escrow No.: 0147019525 APN: 550-310-013

WHEN RECORDED MAIL TO

County of Contra Costa Department of Conservation and Development 30 Muir Road Martinez, CA 94553

SPACE ABOVE THIS LINE FOR RECORDER'S USE

#### Α

#### SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 4th day of January, 2017, by Rubicon Programs, Inc., a California corporation, owner of the land hereinafter described and hereinafter referred to as "Owner", and The County of Contra Costa, a political subdivision of the State of California, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary":

#### WITNESSETH

THAT WHEREAS, Rubicon Programs, Inc., a California nonprofit public benefit corporation did execute a deed of trust, dated March 12, 2008, to North American Title Company, a California corporation, as Trustee, covering;

See "Exhibit A" attached hereto and made a part hereof

to secure a note in the sum of \$564,332.00, dated March 12, 2008, in favor of The County of Contra Costa, a political subdivision of the State of California, which deed of trust was recorded on March 28, 2008, in Book/Reel , at Page/Image , Series/Instrument 2008-0066593, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$185,000.00, dated \_\_\_\_\_\_, in favor of First Republic Bank, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien of charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

ORTIC-951 2/94 1 of 4

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned;
- (2) That Lender would not make its loan above described without this subordination agreement;
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) He/She consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He/She intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

#### The County covenants and agrees that:

In the event the County delivers to Owner a notice of default under the County Loan Documents, the County will provide to First Republic Bank a copy of such notice concurrently with delivery to Owner, and First Republic Bank has the right, but not the obligation, to cure any or all defaults specified in said notice for a period of sixty (60) days after the date of such notice (the "Lender Cure Period"), provided that the County has the continuing right to declare and record a notice of default and the Lender Cure Period shall not toll or extend the statutory cure period after the County's recordation of a notice of default.

#### First Republic Bank covenants and agrees that:

In the event the City delivers to Owner a notice of default under the City Loan Documents, the City will provide to the County a copy of such notice concurrently with delivery to Owner, and the County has the right, but not the obligation, to cure any or all defaults specified in said notice for a period of sixty (60) days after the date of such notice (the "County Cure Period"), provided that the City has the continuing right to declare and record a notice of default and the County Cure Period shall not toll or extend the statutory cure period after the City's recordation of a notice of default.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(CLTA SUBORDINATION FORM "A")

ORTIC-951 2/94 2 of 4

	Signature	of	Beneficiary	(s	)
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#### Signature of Owner(s)

The County of Contra Costa, a political subdivision of the State of California	Rubicon Programs, Inc., a California nonprofit public benefit corporation
	Name:
Title:	Title:
A notary public or other officer completing this certificate document to which this certificate is attached, and not the	e verifies only the identity of the individual who signed the e truthfulness, accuracy, or validity of that document.
State ofCounty of	
	a Notary Public,
personally appeared	, who proved to
me on the basis of satisfactory evidence to be the person and acknowledged to me that he/she/they executed the shis/her/their signature(s) on the instrument the person(s) executed the instrument.	
I certify under PENALTY OF PERJURY under the laws of the correct.	he State of California that the foregoing paragraph is true and
WITNESS my hand and official seal.	
Signature:	
Name:(Typed or Printed)	(01)
(Typed or Printed)	(Seal)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(CLTA SUBORDINATION FORM "A")

ORTIC-951 2/94 3 of 4

State of		
County of		
On	before me,	a Notary Public,
personally appeare	d	, who proved to
and acknowledged	to me that he/she/they executed the same in hiture(s) on the instrument the person(s), or the e	e name(s) is/are subscribed to the within instrument is/her/their authorized capacity(ies), and that by intity upon behalf of which the person(s) acted,
I certify under PEN correct.	ALTY OF PERJURY under the laws of the State of	of California that the foregoing paragraph is true and
WITNESS my hand	and official seal.	
Signature:		
Name:		
(Typed or	Printed)	(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(CLTA SUBORDINATION FORM "A")

ORTIC-951 2/94 4 of 4

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department



Contra Costa County

Date: February 14, 2017

Subject: Annual Report from the Planning Integration for Community Health (PITCH)

#### **RECOMMENDATION(S):**

ACCEPT report from the Planning Integration Team for Community Health (PITCH) on accomplishments since the previous PITCH report in November 2015, as recommended by the Public Health, Public Works and Conservation and Development Director's.

#### **FISCAL IMPACT:**

There is no impact to the General Fund. PITCH activities are covered by grants and existing budgets of the member departments.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CN	Y ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017 APPROVED AS RECOMMENDED OTHER  Clerks Notes:	
CIEIRS NOIES.	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Robert Sarmiento (415) 674-7822	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: Deputy

cc:

#### **BACKGROUND:**

On February 6, 2007, the Board of Supervisors took the following actions in establishing and directing the Planning Integration Team for Community Health (PITCH) Committee:

- 1. Accept a report and recommendations on the built environment and public health that was prepared by a staff working group from Conservation and Development, Health Services, and Public Works Departments.
- 2. Acknowledge the impact of built environment on public health.
- 3. Affirm the Board's commitment to promoting the principles of healthy communities in the land use planning and development process.
- 4. Direct Conservation and Development, Health Services, and Public Works Departments to establish the Planning Integration Team for Community Health (PITCH), which would align and integrate various planning, public works, and public health initiatives throughout the County into a combined team approach across departmental lines, and, as necessary, add staff from other County departments to the team.
- 5. Direct PITCH to pursue implementation of the recommend actions detailed in the February 6, 2007 Board Order, including:
  - a. Evaluate the County's Roadway Policies and Standards based on the "Complete Streets" approach, which recognizes that our roads serve more than just vehicular traffic and are an integral element in promoting the principles of a healthy community;
  - b. Evaluate methods and measures to implement the General Plan policies that emphasize compact, infill, and mixed-use development and consider impacts on public health;
  - c. Identify and develop policies and implementation measures relating to the principles of public health that could impact pending general plan amendment studies, as well as potential revisions of the County General Plan and the County Ordinance Code;
  - d. Integrate the principles of public health in the master planning of parks and recreational facilities;
  - e. Improve coordination and planning with school districts in the siting of new schools and/or expansion of existing schools in the unincorporated area with the aim of promoting health communities.
- 6. Direct PITCH to evaluate the feasibility of implementing a County "Healthy Community" Pilot Program to demonstrate the concepts and principles of creating healthier communities, which would be funded through outside grant sources, and to report back to the Board on program feasibility, specifically investigating the opportunities in receiving outside grant fund sources and any potential constraints in applying them towards a pilot program.
- 7. Direct PITCH to report to the Ad Hoc Committee on Smart Growth and the Board of Supervisors by July 31, 2007 on progress in implementing the recommendations described above.

#### **Update**

The PITCH Committee continues to meet monthly and work towards implementing the Board's directions. The status of these activities and possible future activities are described in the attached presentation.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

None

#### **CHILDREN'S IMPACT STATEMENT:**

A key purpose and objective of PITCH planning activities is improving the built environment for all ages, including children, consistent with the directives from the Board of Supervisors.

#### **ATTACHMENTS**

PITCH Presentation

# Planning Integration Team for Community Health (PITCH)



Annual Report to the Contra Costa County Board of Supervisors February 14, 2017

### **History of PITCH**

- 2006 Dr. Richard Jackson presentation-Impact of Built Environment on Health.
- 2006 Board directs staff from Department of Conservation and Development (DCD), Public Works Department (PWD), and Contra Costa Health Services (CCHS) to convene and develop recommendations on the County's approach to planning and developing the built environment.

### **History of PITCH**

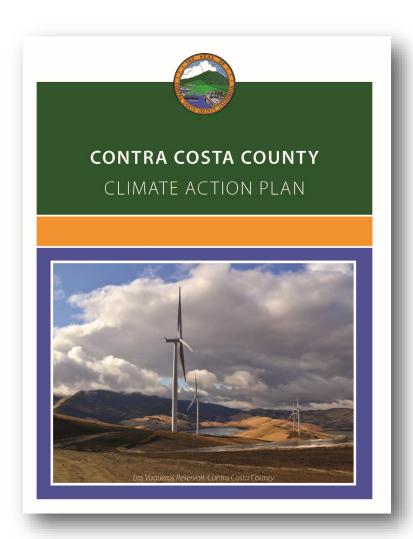
- 2007 DCD, PWD, and CCHS propose the formation of PITCH and make the following recommendations:
  - a) Evaluate the County's Roadway Policies and Standards based on the 'Complete Streets' approach.
  - b) Evaluate methods and measures to implement the General Plan policies that emphasize compact, infill, and mixed use development and consider impacts on public health
  - c) Identify and develop policies and implementation measures relating to public health that could lead to potential revisions in the County General Plan and County Ordinance Code.
  - d) Integrate the principles of public health in the master planning of parks and recreational facilities.
  - e) Improve coordination and planning with school districts in the siting of new schools to promote healthy communities.
- 2007 Board accepts the recommendations, formally establishes PITCH, and affirms commitment to promoting public health principles in land-use planning and development. The Board directs PITCH to research grant funding.

### **PITCH Collaboration**

- PITCH members meet monthly and regularly discuss activities and issues that may be of interest to the other departments.
- Knowledge, perspectives, and experiences unique to Engineering, Public Health, and Planning are shared.
- As a result of collaboration and sharing unique perspectives, superior strategies and approaches are developed and implemented.
- The following slides identify a number of recent activities that the departments have conducted after discussion and collaboration at PITCH meetings.

### **Climate Action Plan**

- Sustainability Coordinator started in June 2016
- Ad Hoc Sustainability Committee has received updates on implementation and funding; expect briefing for full Board in Q1 2017
- 35 applicants for 10 seats on new Sustainability Commission
- In January, DCD convened a Sustainability Exchange for all local government staff who work on these issues in the County



# Measure X – November 2016 Transportation Expenditure Plan

- Funding for transportation improvements and infrastructure maintenance has been eroding for some time, as discussed in other forums and meetings.
- The Measure X Expenditure Plan promised substantial new revenues for both new projects and maintenance of existing infrastructure.
- Due to relatively new local and regional Complete Streets policies, both project funding and maintenance funding would have resulted in substantial new investment in complete streets infrastructure which would increase safety for all users and increase the numbers of people using nonmotorized modes.
- Future Measure \*?

### **Complete Streets**

# July 12, 2016 – The Board of Supervisors adopted a new Complete Streets Policy

- More Expansive, Specific, with Implementation Requirements
  - "...comprehensive, integrated transportation network that serves all categories of users..."
  - "All departments and agencies of Contra Costa...shall work towards making Complete Streets practices a routine part of everyday operations...every relevant project, program, and practice...work in coordination with other departments, agencies, and jurisdictions..."
  - Collect Data
  - Evaluate Implementation
  - Establish Bicycle Advisory Committee
- PITCH will be assisting with the development and review of implementation policies and reporting to the Transportation, Water, and Infrastructure Committee on progress.

### **BART Outer C Line Access Study**

- DCD and CCHS participating in BART-led study of how users access 4 stations along BART Outer C Line
  - North Concord/Martinez
  - Pittsburg/Bay Point
  - Pittsburg City Center eBART
  - Antioch eBART
- Study assesses current vehicular, bicycle, and pedestrian access
- DCD and CCHS recommending strategies to improve access to stations



## **Canal Road (Bay Point)**

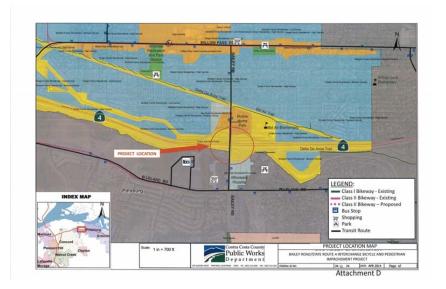
- Constructed 2,350
   linear feet of sidewalk
- Project included funding for one year of CCHS's Safe Routes to School programming at Bel Air Elementary
- Photos of Ribbon
   Cutting on 11-16-16





## **Bailey Road (Bay Point)**

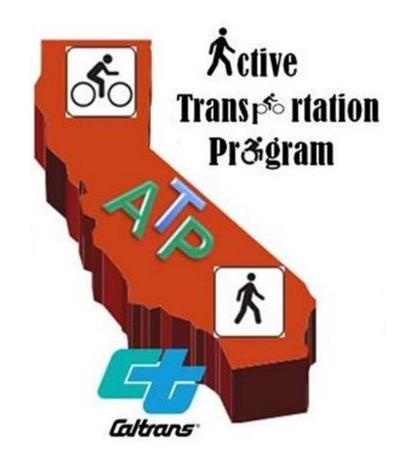
- Reconfigure SR-4 westbound off-ramps
- Eliminate pedestrian tunnel
- Promote bicycle and pedestrian activity
- Project included funding for CCHS's pedestrian safety campaign, focused around BART station



### **Grant Applications**

Projects awarded Active Transportation Program grant funds to improve bicycle/pedestrian facilities:

- Fred Jackson Way (North Richmond) -\$3,300,000
- Pacheco Boulevard
   (Pacheco) \$619,000



# North Richmond Urban Greening and Resiliency Plan

- Plan for urban greening, resiliency, and green infrastructure, in collaboration with non-governmental organizations (NGOs)
- Aggregates, showcases, and coordinates existing and future non-profits and County department-led projects
- PITCH members have participated in prospectus review and in follow-up grant funding applications
- Provides a model for similar NGO-driven El Sobrante plan



### **Future Activities**

PITCH proposes to continue to inform and advise the Board on health-related activities, such as:

- Adapting to Rising Tides Study
- Green Infrastructure Planning
- General Plan Update
- Collaborate with Sustainability Commission
- Continue to seek grant funding
- Continue to participate in the BART Access Study
- School Siting
- Countywide Bicycle and Pedestrian Plan Update

### **PITCH Moving Forward**

### Ten Years of PITCH

 Evolving policy has now integrated PITCH concepts in to normal practices. To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017

Subject: Disposal of Surplus Property



Contra Costa County

### **RECOMMENDATION(S):**

DECLARE as surplus and AUTHORIZE the Purchasing Agent, or designee, to dispose of fully depreciated vehicles and equipment no longer needed for public use, as recommended by the Public Works Director, Countywide.

### **FISCAL IMPACT:**

No fiscal impact.

### **BACKGROUND:**

Section 1108-2.212 of the County Ordinance Code authorizes the Purchasing Agent to dispose of any personal property belonging to Contra Costa County and found by the Board of Supervisors not to be required for public use. The property for disposal is either obsolete, worn out, beyond economical repair, or damaged beyond repair.

### CONSEQUENCE OF NEGATIVE ACTION:

Public Works would not be able to dispose of surplus vehicles and equipment.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	CNTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Nida Rivera,(925) 313-2124	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

# $\underline{\text{ATTACHMENTS}}$

Surplus Vehicles & Equipment

#28499

### ATTACHMENT TO BOARD ORDER FEBRUARY 14, 2017

Department	Description/Unit/Make/Model	Serial No.	Condition  A. Obsolete B. Worn Out C. Beyond economical repair D. Damaged beyond repair
SHERIFF	2010 FORD CROWN VIC. #2018 (88633 MILES)	2FABP7BVXAX115428	B. WORN OUT
SHERIFF	2011 FORD CROWN VIC. #2140 (106644 MILES)	2FABP7BV5BX179992	B. WORN OUT
SHERIFF	2010 FORD CROWN VIC. #2006 (107053 MILES)	2FABP7BV1AX115415	B. WORN OUT
SHERIFF	2011 FORD CROWN VIC. #2142 (98463 MILES)	2FABP7BV0BX176028	B. WORN OUT
PUBLIC WORKS	2000 GMC 2500 TRUCK #5548 (99418 MILES)	1GTGC24R9YF474550	B. WORN OUT
SHERIFF	2008 FORD TAURUS SEDAN #2946 (96886 MILES)	1FAHP24W28G159927	B. WORN OUT
PUBLIC WORKS	1996 FORD E-250 CARGO VAN #4445 (93015 MILES)	1FTFE24H0THB05277	B. WORN OUT
AGRICULTURE	1999 FORD E-250 CARGO VAN #4508 (108081 MILES)	1FTPE24L2XHA56419	B. WORN OUT
ANIMAL SERVICES	2003 FORD CROWN VIC. #1910 (84675 MILES)	2FDHP71993X185488	B. WORN OUT
PROBATION	2003 CHEVY ASTRO VAN #4306 (92624 MILES)	1GNDM19X23B133077	B. WORN OUT
ANIMAL SERVICES	2004 FORD F-250 ANIMAL TRUCK #5453 (128449 MILES)	1FDNF20L44EA66422	B. WORN OUT
ANIMAL SERVICES	2008 FORD F-250 ANIMAL TRUCK. #5470 (110297 MILES)	1FDSX20R38EC75273	B. WORN OUT
SHERIFF	2005 FORD TAURUS SEDAN #0742 (99176 MILES)	1FAFP53U15A147274	B. WORN OUT
SHERIFF	2010 FORD E-350 VAN #4680 (94349 MILES)	1FTSS3EL6ADA85427	B. WORN OUT
PUBLIC WORKS	2002 FORD F-250 TRUCK #5552 (97904 MILES)	2FABP7BVXAX136697	B. WORN OUT
HEALTH SERVICES	2011 FORD FUSION HYBRID #0802 (56936 MILES)	3FADPOL32BR202740	C.DAMAGED BEYOND ECONOMICAL REPAIR
SHERIFF	1971 GMCBUS #6601 (101069 MILES)	SE528S211004	B. WORN OUT

To: Board of Supervisors

From: Julia R. Bueren, Public Works Director/Chief Engineer

Date: February 14, 2017





## Contra Costa County

### **RECOMMENDATION(S):**

- (1) APPROVE the Roof Top Equipment, Americans with Disabilities Act (ADA), and Fire Life Safety Upgrades Project at 4491 Bixler Road, Byron, [Project No. 320-1601 [DCD-CP#16-16] (District 3); and
- (2) DETERMINE that the Project is a California Environmental Quality Act (CEQA), Class 1(d) Categorical Exemption, pursuant to Section 15301(d) of the CEQA Guidelines, and
- (3) DIRECT the Director of the Conservation and Development Department to file a Notice of Exemption with the County Clerk, and
- (4) AUTHORIZE the Public Works Director to arrange for payment of a \$25 fee to the Department of Conservation and Development Department for processing and a \$50 fee to the County Clerk for filing the Notice of Exemption.

### **FISCAL IMPACT:**

cc:

100% General Fund – Facilities Life-Cycle Investment Program

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNT	TY ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Ramesh Kanzaria, (925) 313-2000	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

### **BACKGROUND:**

The purpose of this Project is to upgrade aging mechanical roof top equipment, accessibility, and fire life safety on approximately (5) building facilities at the Orin Allen Youth Rehabilitation Facility, 4491 Bixler Road, Byron.

As part of the Facilities Life-Cycle Investment Program (FLIP), the Project consists of upgrading the aging roof top equipment, including HVAC units as necessary, performing Americans with Disabilities Act (ADA) compliant upgrades/modifications to the existing accessibility and fire life safety, including automatic fire sprinkler and fire alarm upgrades, replacing exit signs with LED lighting, and seismic shutoffs for the gas main.

On November 10, 2015, the Board of Supervisors awarded a job order contract (JOC) for repair, remodeling, and other repetitive work to be performed pursuant to the Construction Task Catalog to each of Sea Pac Engineering, Inc., John F. Otto, Inc., and Mark Scott Construction, each in the amount of \$2,000,000. On September 20, 2016, the Board approved a change order to increase the contract amount to \$4,500,000 for both John F. Otto, Inc., and Mark Scott Construction. The ADA and fire life safety upgrades portion of the Project is expected to be performed by one of the three JOC contractors. A task order catalogue has been prepared for the JOC Contractor to perform the Project site work and building improvements. In the event that it is not performed by a JOC contractor, the Public Works Department will go to the Board for approval of plans and specifications and authorization to advertise and solicit bids. The roof top equipment portion of the Project will be completed by the Public Works Department, Facilities Services Division.

### **CONSEQUENCE OF NEGATIVE ACTION:**

If the Project is not approved, the roof top equipment will continue to deteriorate, resulting in more costly repairs in the future, and necessary ADA and fire life safety upgrades will not be completed.

### **ATTACHMENTS**

**CEQA Documents** 

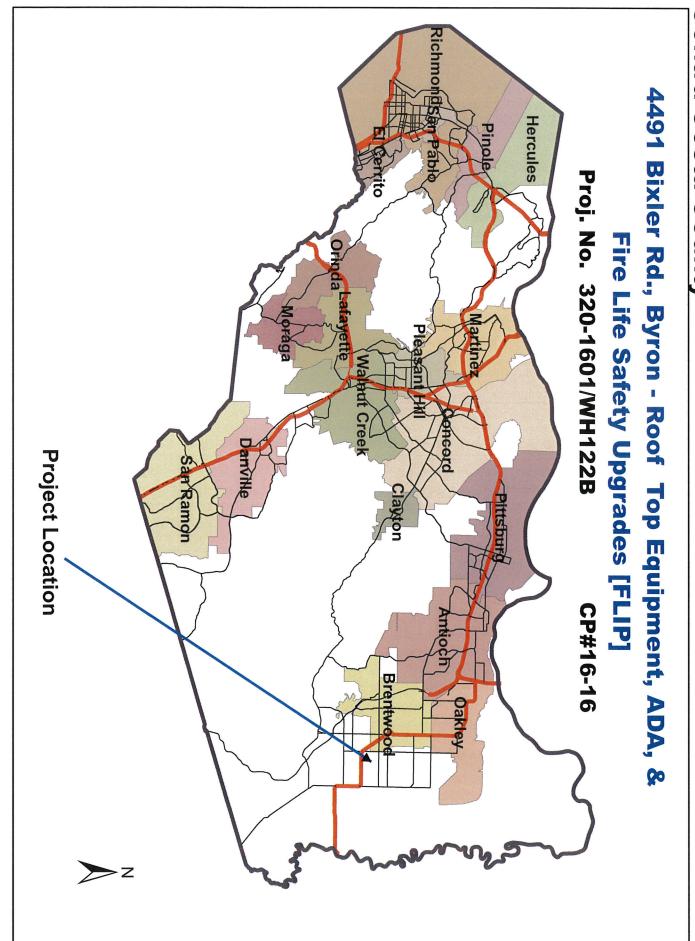
Contra Costa County

### PUBLIC WORKS DEPARTMENT INITIAL STUDY OF ENVIRONMENTAL SIGNIFICANCE

PROJECT NUMBER: <u>320-1601 / WH122B</u> CP# 16-16

PF	ROJECT NAME:	4491 Bixler Road, I Fire Life Safety Up	Byron –Roof Top grades (FLIP)	Equipment, A	DA, &
PF	REPARED BY:	Trina R. Torres	7		DATE: <u>April 25, 2016</u>
ΑF	PPROVED BY:	Who Ci	6	DA1	TE: <u>5-5-16</u>
RI	ECOMMENDATION	ONS:			
	☑ Categorical Exemption: 15301 [Class 1(d)]       ☐ Negative Declaration         ☐ Environmental Impact Report Required       ☐ Conditional Negative Declaration				
or age	<b>lowing:</b> The project topographical featurency's determination	consists of the minor ares, involving negligible, pursuant to section 1	alteration of existing e or no expansion (15301(d)) of the CE	g public structure of use beyond the OA guidelines:	ecommendation is based on the s, facilities, mechanical equipment at existing at the time of the lead (d) Restoration or rehabilitation of the rent standards of public health and
Wł	nat changes to the p	roject would mitigate	the identified impa	cts: N/A	
U	SGS Quad Sheet: W	oodward Island	Base Map Sheet #:	M-28	Parcel #: APN#002-020-001
GE	NERAL CONSIDER	ATIONS:			
1.	Location: The proj	ject is located at 4491	Bixler Road, Byro	on, California [F	figures 1-3].
2.	Project Description accessibility, and (APN#002-020-00	fire life safety on ap	this Project is upproximately five (	pgrade aging n 5) building faci	nechanical roof top equipment, lities at 4491 Bixler Rd., Byron
	As part of the Facilities Life-Cycle Investment Program [FLIP], the Project consists of upgrading the aging mechanical roof top equipment, including replacing HVAC units as necessary, installing Americans with Disability Act (ADA) compliant upgrades/modifications, installing upgrades to the existing accessibility and fire life safety, including automatic fire sprinkler and fire alarm upgrades, replacing exit signs with LED lighting, and seismic shutoffs for gas main.				
3.		any feature of the promate in maybe (Nature of		ignificant public	concern?
4.	Will the project req	uire approval or perm	its by other than a	County agency?	
5.	Is the project within	n the Sphere of Influer	nce of any city? N	0	

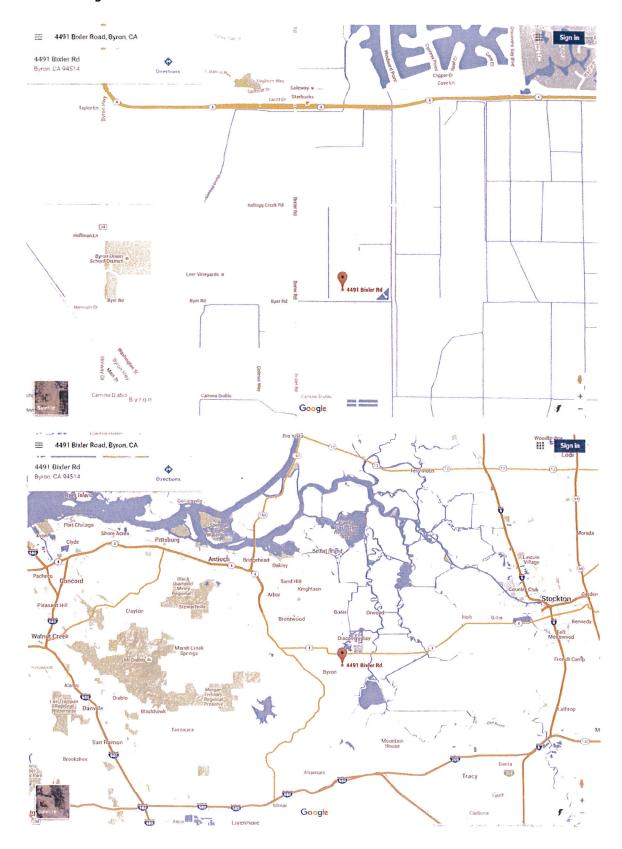
# **Contra Costa County**

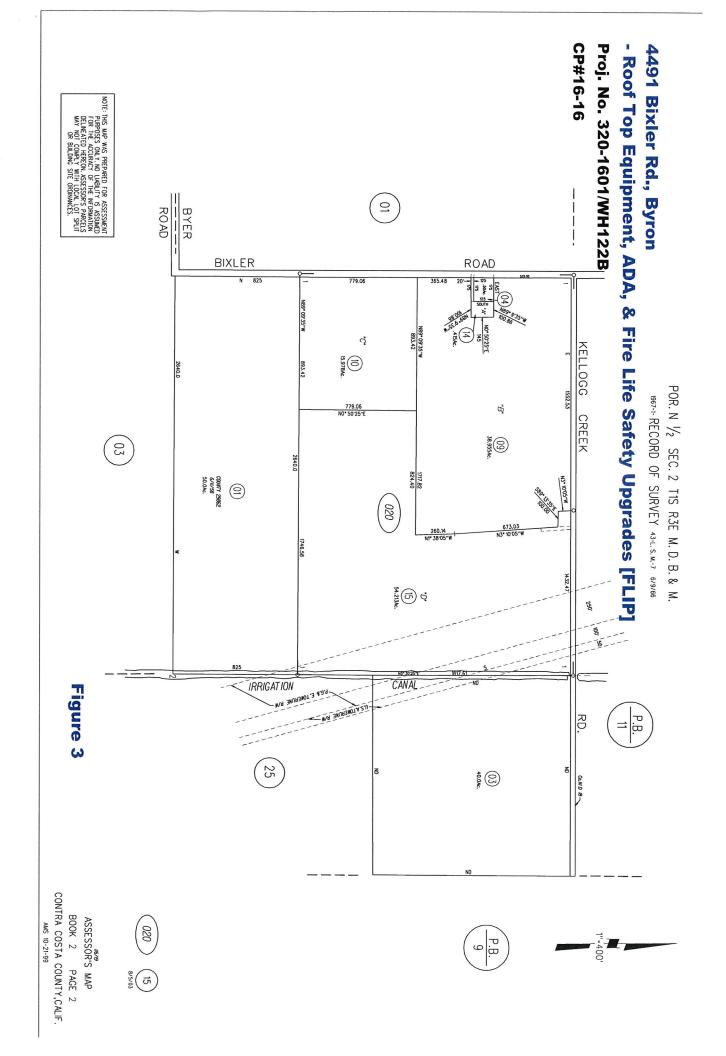


# 4491 Bixler Rd., Byron -Roof Top Equipment, ADA, & Fire Life Safety Upgrades [FLIP]

Proj. No. 320-1601 / WH122B

**CP#16-16** 





### CALIFORNIA ENVIRONMENTAL QUALITY ACT Notice of Exemption

	Notice of Exempt	.1011	
To: Office of Planning and Res P.O. Box 3044, Room 113 Sacramento, CA 95812-30		From:	Contra Costa County Dept. of Conservation & Development 30 Muir Road Martinez, CA 94553
Project Title: 4491 Bixler Road, E & Fire Life Safety U Project No. 320-160			
Project Applicant: Contra Costa Costa	unty Public Works Department		
Project Location – <b>Specific</b> : 4491	Bixler Road		
Project Location: <u>Byron, California</u>		Proj	ect Location – County: Contra Costa
	<b>Beneficiaries of Project</b> : The purpose afety on approximately five (5) building fa		
equipment, including replacing HVA upgrades/modifications, installing upgr	estment Program [FLIP], the Project cor AC units as necessary, installing Ar rades to the existing accessibility and fire with LED lighting, and seismic shutoffs	nericans `\ life safety, i	with Disability Act (ADA) compliant including automatic fire sprinkler and fire
Name of Person or Agency Carrying C	Out Project: Contra Costa Count	ty Public V	Vorks Department
Exempt Status:  Ministerial Project (Sec. 21080(b) (Compared Emergency (Sec. 21080(b)))  Emergency Project (Sec. 21080(b))	b)(3); 15269(a));	ory Exempt e of Applica	ion, Code No.:
topographical features, involving neglig	ible or no expansion of use beyond that e QA guidelines; (d) Restoration or rehabilita	existing at t	structures, facilities, mechanical equipment, on the time of the lead agency's determination eriorated or damaged structures, facilities, o
Lead Agency Contact Person: Trina	R. Torres - Public Works Dept. Area	a Code/Te	lephone/Extension: (925) 313-2176
If filed by applicant:  1. Attach certified document 2. Has a Notice of Exemption	of exemption finding. n been filed by the public agency approvi	ng the proje	ect?
Signature:	Date:		Title:
Signed by Lead Agency	Signed by Applicant		
	AFFIDAVIT OF FILING AND PO	STING	
I declare that on Public Resources Code Se	I received and ction 21152(c). Said notice will remain po	posted this osted for 30	notice as required by California days from the filing date.
Signature	Title		
Applicant:	Department of Fish and Game Fees Due		
Public Works Department	EIR - \$3,078. <sup>25</sup>		Total Due: \$ 75.00
255 Glacier Drive Martinez, CA 94553	Neg. Dec \$2,216. <sup>25</sup> DeMinimis Findings - \$0		Total Paid \$
Attn: Trina R. Torres	County Clerk - \$50		Receipt #:
<b>Environmental Services Division</b>			

\PW-DATA\grpdata\engsvc\ENVIRO\Capital Projects-Facilities\4491 Bixler Rd.-Roof, ADA, & Fire Life Safety Upgrades [FLIP]\NOE (2017 Fees).doc Form Revised: January 2017

Phone: (925) 313-2176

SLAI O

Contra Costa County

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION FOR ITS WOMEN, INFANT AND CHILDREN

DIETITIAN INTERNSHIP PROGRAM

### **RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, to execute, on behalf of the County, Unpaid Student Training Agreement #72-078-1 with San Diego State University Foundation for its Women, Infant and Children Dietitian Internship Program, a non-profit corporation, to provide supervised field instruction in County's Public Health Division to dietitian students, for the period from February 1, 2017 through December 31, 2019.

### **FISCAL IMPACT:**

None

### **BACKGROUND:**

The purpose of this agreement is to provide San Diego State University Foundation for its Women, Infant and Children Dietitian (WIC) Internship Program, dietitian students with the opportunity to integrate academic knowledge with applied skills at progressively higher levels of performance and responsibility. Supervised fieldwork experience for students is considered to be an integral part of both educational and professional preparation. The Health Services Department can provide the requisite field education, while at the same time, benefiting from the students'

<b>✓</b> APPROVE	OTHER
<b>▶</b> RECOMMENDATION OF C	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Dan Peddycord, 925-313-6712	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
cc: D Morgan, M WILHELM	By: , Deputy

### BACKGROUND: (CONT'D)

services to patients.

On June 14, 2016, the Board of Supervisors approved Contract #72-078 with San Diego State University Foundation for its Women, Infant and Children Dietitian (WIC) Internship Program for the period from January 1, 2016 through December 31, 2016.

Approval of Unpaid Student Training Agreement #72-078-1 will allow San Diego State University Foundation for its WIC Dietetic Internship Program dietitian students to receive supervised fieldwork instruction experience with Health Services for the period from February 1, 2017 through December 31, 2019.

### **CONSEQUENCE OF NEGATIVE ACTION:**

If this contract is not approved, the students will not receive supervised fieldwork instruction experience in County's Public Health Division.

Contra Costa County

To: **Board of Supervisors** 

From: David Twa, County Administrator

Date: February 14, 2017

Subject: CONTINUATION OF LOCAL EMERGENCY ARISING OUT OF JANUARY 2017 STORM DAMAGE

### **RECOMMENDATION(S):**

CONTINUE the emergency action originally taken by the Board of Supervisors effective January 19, 2017 regarding the hazardous conditions caused by a series of severe rainstorms in Contra Costa County.

### **FISCAL IMPACT:**

This action is necessary to maintain eligibility for Contra Costa County and its cities to receive disaster relief funds to cover costs of the emergency response and damage repairs needed as a result of the significant storm events in early January 2017. The initial damage estimates for the County from the January 6-10, 2017 storms are estimated at \$9.5 million. The County does not currently have funds designated for the response and repair of the storm damages and has, therefore, applied for relief funds.

### **BACKGROUND:**

The conditions of extreme peril to the safety of persons and property have arisen within the County, caused by a series of severe rainstorms in January 2017 that led to the widespread flooding, mudslides, sinkholes and damage to public buildings, flood control facilities and roadways, including the collapse of a portion of Alhambra Valley Road at Pinole Creek, caused by a massive sinkhole.

These conditions are or are likely to be beyond the control of the services, personnel, equipment and facilities of the County. The initial damage estimate encompasses the County's response and cleanup of various sites throughout the County and estimated costs to repair damages from the storm. The estimate includes road infrastructure, flood control infrastructure, public building facilities and park and recreation facilities. The majority of the damage occurred on or

<b>✓</b> APPROVE	OTHER
✓ RECOMMENDATION OF CNTY	ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017	APPROVED AS RECOMMENDED  OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Julie DiMaggio Enea (925) 335-1077	, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy
001	

### BACKGROUND: (CONT'D)

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along rural County roads. The largest and most significant damage occurred on Alhambra Valley Road at Pinole Creek, where there was a washout of the road. Flood control infrastructure also experienced storm related damage. Public building and park facilities suffered minimal impact from the storm. A slideshow illustrating the storm damage can be accessed at this link: January 2017 Storm Damage Slideshow.

Government Code Section 8630 requires that, for a body that meets weekly, the need to continue the emergency declaration be reviewed at least every 30 days until the local emergency is terminated, which shall occur at the earliest possible date that conditions warrant. Since the conditions that warranted the proclamation of an emergency persist, it is appropriate for the Board to continue the local emergency action regarding the hazardous conditions caused by storm damage.

### **CONSEQUENCE OF NEGATIVE ACTION:**

Pursuant to Resolution No. 2017/404, the proclamation of local emergency issued by the County Administrator on January 19, 2017 and ratified by the Board of Supervisors on January 26, 2017 cannot remain in effect more than 30 days unless it is reviewed and continued by the Board of Supervisors.

SEAL OF SEAL O

Contra Costa County

To: Board of Supervisors

From: Kathy Gallagher, Employment & Human Services Director

Date: February 14, 2017

Subject: Issuance of Request for Proposal (RFP) #1153, Job Services for Limited English Proficient

CalWORKs/Welfare-to-Work (WTW) Participants

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to issue Request for Proposal (RFP) #1153 in an amount not to exceed \$195,000 for Comprehensive Job Services for Limited English Proficient (LEP) California Work Opportunity and Responsibility to Kids (CalWORKs)/Welfare-to-Work (WTW) participants for the period July 1, 2017 through June 30, 2018. (100% Federal)

### **FISCAL IMPACT:**

\$195,000: CalWORKs single allocation (100% Federal)

### **BACKGROUND:**

The Request for Proposal will solicit competitive proposals for delivery of Comprehensive Job Services for Limited English Proficient (LEP) California Work Opportunity and Responsibility to Kids (CalWORKs)/Welfare-to-Work (WTW) participants. Employment and Human Services Department provides countywide Comprehensive Job Services for Limited English Proficient (LEP) CalWORKs)/WTW with the goal of assisting individuals who need special assistance to obtain employment due to lack of English skills, education or experience in the U.S. The goal of the program is to promote the value of work and help families to move from public assistance to financial independence.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION	OF CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/	2017 APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and cor Supervisors on the date shown.	rect copy of an action taken and entered on the minutes of the Board of
	ATTESTED: February 14, 20	17
Contact: V. Kaplan, 3-1514	David J. Twa, County Administr	rator and Clerk of the Board of Supervisors
	By: , Deputy	

cc:

### **CONSEQUENCE OF NEGATIVE ACTION:**

Without Board of Supervisors authorization to do so, the pending open bid process would not continue, resulting in the lack of funding released to the community.

### **CHILDREN'S IMPACT STATEMENT:**

The Request for Proposal (RFP) supports three of the five community outcomes established in the Children's Report Card: 3)"Families that are Economically Self-Sufficient"; 4) "Families that are Safe, Stable and Nurturing"; and 5)"Communities that are Safe and Provide a High Quality of Life for Children and Families" by providing services to individuals who need special assistance to obtain employment due to lack of English skills, education or experience in the U.S.

SLAI OF

Contra Costa County

To: Board of Supervisors

From: Kathy Gallagher, Employment & Human Services Director

Date: February 14, 2017

Subject: Issuance of Request for Proposal (RFP) #1152, Domestic Violence Services to CalWORKs/Welfare-to-Work (WTW)

Clients

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Employment and Human Services Director, or designee, to issue Request for Proposal (RFP) #1152 in an amount not to exceed \$317,125 for Comprehensive Domestic Violence Services to California Work Opportunity and Responsibility to Kids (CalWORKs)/Welfare-to-Work (WTW) clients for the period July 1, 2017 through June 30, 2018. (100% Federal)

### **FISCAL IMPACT:**

\$317,125: CalWORKs single allocation (100% Federal)

### **BACKGROUND:**

The Request for Proposal will solicit competitive proposals for delivery of Comprehensive Domestic Violence and Support Services to California Work Opportunity and Responsibility to Kids (CalWORKs)/Welfare-to-Work (WTW) Clients. Employment and Human Services Department provides countywide Comprehensive Domestic Violence and Support Services as an integral part of the CalWORKs WTW Program. Domestic violence services are designed to identify CalWORKs/WTW recipients and applicants who are past or present victims of domestic violence, provide assistance to address the effects of domestic violence in the family with the final goal of obtaining employment and becoming self-sufficient.

<b>✓</b> APPROVE		OTHER
<b>▶</b> RECOMMENDATION	OF CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: 02/14/	2017 APPROVED AS REC	COMMENDED OTHER
Clerks Notes:		
VOTE OF SUPERVISORS	I hereby certify that this is a true and con Supervisors on the date shown.	rrect copy of an action taken and entered on the minutes of the Board of
	ATTESTED: February 14, 20	17
Contact: V. Kaplan, 3-1514	David J. Twa, County Administ	rator and Clerk of the Board of Supervisors
	By: , Deputy	

cc:

### **CONSEQUENCE OF NEGATIVE ACTION:**

Without Board of Supervisors authorization to do so, the pending open bid process would not continue, resulting in the lack of funding released to the community.

### **CHILDREN'S IMPACT STATEMENT:**

The Request for Proposal (RFP) supports three of the five community outcomes established in the Children's Report Card: 3)"Families that are Economically Self-Sufficient"; 4) "Families that are Safe, Stable and Nurturing"; and 5) "Communities that are Safe and Provide a High Quality of Life for Children and Families" by providing assistance to clients to address the effects of domestic violence in the family with the final goal of obtaining employment and becoming self-sufficient.

Shall on Sir

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: CONSENT to the West Contra Costa Healthcare District's Resolution of February 1, 2017

### **RECOMMENDATION(S):**

CONSENT to the West Contra Costa Healthcare District's resolution of February 1, 2017, dissolving the Governing Body for Doctor's Medical Center, terminating the Governing Body Bylaws, and amending the District's Bylaws to reflect the change; and AFFIRM that such actions are appropriate in light of closure of the Hospital and do not contravene certain agreements between the County and District.

### **FISCAL IMPACT:**

None.

### **BACKGROUND:**

cc: Robert Campbell, County Auditor-Controller

To support the West Contra Costa Healthcare District (the "District") and its operation of Doctors Medical Center in San Pablo, California (the "Hospital"), the County and district entered into a Second Agreement for Property Tax Transfer (the "Agreement") on April 5, 2011. The County and District further amended the Agreement in the subsequent actions approved by the BOS on June 21, 2011, July 16, 2013, December 3, 2014; and April 12, 2016 (collectively, the "Amended Agreement").

As part of the Amended Agreement, the District (1) established a subcommittee of the Board with overall administrative and professional responsibility for the Hospital (the "Governing Body") to serve as the "governing body" of the Hospital as that term is used in Section 70035 of Title 22 of the California Code of Regulations and to include County representatives on the Governing Body, (2) adopted bylaws for the Governing Body (the "Governing Body Bylaws"), and (3) amended the District's Bylaws accordingly.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Rebecca Hooley, 925-335-1800	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

### BACKGROUND: (CONT'D)

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The Amended Agreement requires that until certain financial terms have been satisfied, the County's consent is required for the District to amend the Governing Body Bylaws or the District Bylaws to remove, reduce or impair participation by the County's representatives in the Governing Body. Such financial terms have not yet been satisfied.

Due to continued financial difficulties, the Board permanently closed the Hospital in April 2015. Because the District no longer operates any medical service facilities, there are no duties or responsibilities for the Governing Body to perform or oversee.

As such, the Governing Body is no longer necessary, and these facts support and justify dissolving the Governing Body and terminating the Governing Body Bylaws. Dissolution of the Governing Body and termination of the Governing Body Bylaws does not contravene the terms of the Amended Agreement.

For these reasons, the County Administrator is recommending that the Board consent to the District (a) dissolving the Governing Body, (b) terminating the Governing Body Bylaws, and (c) amending the District's Bylaws accordingly, and affirm that such actions are appropriate in light of closure of the Hospital and are consistent with and not in breach of the Amended Agreement.

### CONSEQUENCE OF NEGATIVE ACTION:

If the Board of Supervisors does not approve this recommendation, then the District will not be able to take the actions necessary to eliminate the Governing Body.

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Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: Proposition 47 Grant Program Request for Proposal (RFP)-- Governing Board Resolution

### **RECOMMENDATION(S):**

ADOPT Resolution No. 2017/60 delegating authority to Health Service Director, or designee Behavioral Health Services Director, to execute, if awarded, the Proposition 47 grant agreement and any amendments thereof with the Board of State and Community Corrections (BSCC); resolving that grant funds shall not be used to supplant expenditures; and further resolving that the Health Services Department will abide by the terms and conditions of the Grant Agreement as set forth by BSCC.

### **FISCAL IMPACT:**

Approval of the County's Prop. 47 application will result in an amount not to exceed of \$6,000,000 from BSCC for the Prop. 47 Grant Program for a 38-month grant period. Per the RFP requirements, the Lead Agency (County) <u>must</u> subcontract with one or more non-governmental, community organizations for a **minimum of 50 percent** of the total grant award in order to demonstrate a shared partnership rooted in community engagement and economic equity. Additional points will be awarded to applicants that pass through 60 percent or 70 percent. Between 5 and 10% of the total award must be set aside for evaluation.

Prop. 47 created the Safe Neighborhoods and Schools Fund. State savings that result from the implementation of Prop. 47 are deposited annually into this fund. AB 1056 established the Second Chance Fund where these savings are deposited for a competitive grant program. These awards will be funded using the first three years of deposits into the BSCC's Prop. 47 fund, estimated at \$103,651,000.

<b>✓</b> APPROVE		OTHER
<b>▼</b> RECOMMENDATION OF	CNTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE
Action of Board On: <b>02/14/2017</b> Clerks Notes:	APPROVED AS RE	COMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true of Supervisors on the date shown	and correct copy of an action taken and entered on the minutes of the Board n.
Contact: L. DeLaney, 925-335-1097	ATTESTED: February David J. Twa, County Ad	14, 2017 ministrator and Clerk of the Board of Supervisors
cc: William Walker, Health Services Direc	By: , Deputy	

### FISCAL IMPACT: (CONT'D)

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No County match is required. However, public agency applicants <u>must</u> demonstrate how they will leverage other federal, state, and local funds or other social investments (per Assembly Bill 1056).

### BACKGROUND:

The Board of State and Community Corrections, on behalf of the State of California, has made available up to \$103,651,000 in grant funding, funded by statewide savings generated by Proposition 47, through an issued Request for Proposals (RFP). Projects funded through Proposition 47 are intended to reduce recidivism and justice-involvement for people who have been arrested, charged with, or convicted of a criminal offense AND who have mental health issues or substance use disorders. The maximum award over 38 months is \$6,000,000 for "large" projects such as is being proposed for Contra Costa County. Proposals submitted for funding through this opportunity must be submitted by a public agency serving as Lead Applicant. Lead Applicants must subcontract with one or more non-governmental, community organizations for a minimum of 50 percent of the total grant award, with additional points awarded to applicants that pass through 60 percent or 70 percent. The grant can fund programs that serve adults and/or juveniles.

Any non-governmental, community-based organization that receives Proposition 47 grant funds must have been duly organized, in existence, and in good standing as of October 17, 2016; be registered with the California Secretary of State's Office, if applicable; have a valid business license, Employer Identification Number, and/or Taxpayer ID, and have any other state or local licenses or certifications necessary to provide the services requested, if applicable, and must have a proven track record working with the target population and the capacity to support data collection and evaluation efforts.

On January 10, 2017 the Board of Supervisors authorized the Chair of the Board to send a "Notice of Intent to Apply" for the Proposition 47 Grant funds. The Board also authorized the Health Services Director, or his designee, (the Director of Behavioral Health), to submit a Grant Application to the Board of State & Community Corrections (BSCC), to provide the County, if awarded, an amount not to exceed \$6,000,000, for mental health services, substance use disorder treatment, diversion programs, housing-related and other community-based supportive services, or some combination thereof, for the period from June 16, 2017 to August 15, 2020. Pursuant to Proposition 47, this grant is to provide mental health services, substance use disorder treatment and diversion programs for people in the criminal justice system. The grant program may also provide housing-related assistance and other community-based supportive services, including job skills training, case management and civil legal services.

Before grant funds can be reimbursed, a prospective grantee must <u>either</u> (1) submit a resolution from its Governing Board that delegates authority to the individual authorized to execute the grant agreement <u>or</u> (2) provide sufficient documentation indicating that the prospective grantee has been vested with plenary authority to execute grant agreements (e.g., a municipal ordinance or county ordinance/charter delegating such authority to a city manager or county executive officer). Applicants are encouraged to submit the resolution with their application.

BSCC grant funds shall be used to support new program activities or to augment existing funds that expand current program activities. BSCC grant funds shall not be used to replace existing funds. Supplanting is strictly prohibited for all BSCC grants. When leveraging outside funds, public agency applicants must be careful not to supplant. Supplanting is the deliberate reduction in the amount of federal, state, or local funds being appropriated to an existing program or activity because grant funds have been awarded for the same purposes. It is the responsibility of the Grantee to ensure that supplanting does not occur. The Grantee must keep clear and detailed financial records to show that grant funds are used only for allowable costs and activities.

### Synopsis of County RFP Proposal

To determine the appropriate focus of the proposed Contra Costa County project, the Health Services Department supported the convening of a multi-stakeholder Local Advisory Committee (LAC) of more than thirty people

from diverse backgrounds and expertise, including people with histories of justice involvement, along with people experienced in the prospective programs and/or services to be implemented by the proposal, and who have supported the development of priority areas and approaches. This LAC has convened three meetings to review data, identify priorities, and consider design options, and additional work teams have been formed and have met to develop agreements regarding areas where their roles and duties intersect.

The Antioch Police Department, a member of the LAC, reports high rates of repeat arrest for low-level, non-violent charges (including drug-related charges, petty theft, shoplifting, nuisance crimes, and similar low-level charges) for people with apparent unmet behavioral health needs and associated challenges and behaviors. This cycle of arrest, citation/release, and incarceration is detrimental to the safety and quality of life in Antioch, imposes high demands on Antioch Police Department requiring dedication of scarce resources that could be better devoted to more serious and violent crimes including gun-related charges and auto theft, and is not improving individual outcomes or reducing recidivism or advancing public safety. The proposed project will establish a pre-booking diversion program for low-level adult arrestees in Antioch, including probationers arrested on eligible charges whose probation would otherwise be revoked. The proposed program will be operated in agreement and partnership with the District Attorney, the Probation Department, the Public Defender, the Courts, the Health Services Department and its subordinate entities, directly managed by the Forensic Mental Health department and conducted in partnership with community-based service providers. The Health Services Department expects that the community-based diversion service program will be managed by the Contra Costa Reentry Network currently operating in Central and East County, and which now has administrative offices in Antioch. The Network will form a Diversion Team staffed by both professional staff and paraprofessional peers who will be trained in and hired to conduct restorative justice and cognitive-behavioral services in the Network's "No Wrong Door" community sites that exist in multiple locations in Antioch, including in faith-based settings. The Network will, in turn, subcontract with additional community-based service providers, as necessary, to establish a robust and consistent community-based system of care, thus maximizing the value of the Contra Costa Reentry Network while advancing capacity for additional nonprofit partners.

The overall project will be stewarded by a Local Advisory Committee to ensure ongoing community input, and will be operationally supervised by a public/private Diversion Panel to review specific cases and address operational issues. The project's public/private approach to both diversion and services will maximize the value and impact of existing resources and efforts, reduce recidivism, increase public safety, mitigate barriers and fill gaps to better meet the needs of this population.

The project will leverage existing resources and funds, including SB 678 funds provided by the Probation Department for evidence-based probation services, the Whole Person Care project now in development through the Health Services Department, the County's newly integrated behavioral health resource and referral design, the new Coordinated Access approach to housing services being implemented by the County's Health, Housing, and Homeless Services department, and the array of housing, employment, civil legal services, family support, and other services provided by the Reentry Network and funded through AB 109.

### **CONSEQUENCE OF NEGATIVE ACTION:**

Successful public agency applicants will be required to submit a Resolution from their Governing Boards before the grant award can be finalized and funds awarded. A signed resolution is not required at the time of proposal submission, but public agency applicants are advised that no financial invoices will be processed for reimbursement until the Governing Board Resolution has been received by the BSCC.

### **ATTACHMENTS**

Resolution No. 2017/60

### THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	SEAL
NO:	
ABSENT:	
ABSTAIN:	
RECUSE:	COUNTY

### Resolution No. 2017/60

WHEREAS the Contra Costa County Health Services Department desires to participate in the Proposition 47 Grant administered by the Board of State and Community Corrections (hereafter referred to as BSCC).

NOW, THEREFORE, BE IT RESOLVED that Dr. William Walker, Director of Health Services, or his designee Cynthia Belon, Director of Behavioral Health Services, be authorized on behalf of the Contra Costa County Board of Supervisors to submit the grant proposal for this funding and to sign the Grant Agreement with the BSCC, including any amendments thereof.

BE IT FURTHER RESOLVED that grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

BE IT FURTHER RESOLVED that the Health Services Department of Contra Costa County agrees to abide by the terms and conditions of the Grant Agreement as set forth by the BSCC.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: February 14, 2017

Contact: L. DeLaney, 925-335-1097

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: William Walker, Health Services Director

SEAL OF SEAL COUNTY

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: Continue Extension of Emergency Declaration Regarding Homelessness

### RECOMMENDATION(S):

CONTINUE the emergency action originally taken by the Board of Supervisors on November 16, 1999 regarding the issue of homelessness in Contra Costa County.

### **FISCAL IMPACT:**

None.

### **BACKGROUND:**

On November 16, 1999, the Board of Supervisors declared a local emergency, pursuant to the provisions of Government Code Section 8630 on homelessness in Contra Costa County.

Government Code Section 8630 requires that, for a body that meets weekly, the need to continue the emergency declaration be reviewed at least every 14 days until the local emergency is terminated. In no event is the review to take place more than 21 days after the previous review. On February 7, 2017, the Board of Supervisors reviewed and approved the emergency declaration.

With the continuing high number of homeless individuals and insufficient funding available to assist in sheltering all homeless individuals and families, it is appropriate for the Board to continue the declaration of a local emergency regarding homelessness.

<b>✓</b> APPROVE	OTHER		
<b>▶</b> RECOMMENDATION OF CN	TTY ADMINISTRATOR COMMITTEE		
Action of Board On: 02/14/2017  Clerks Notes:	✓ APPROVED AS RECOMMENDED ☐ OTHER		
VOTE OF SUPERVISORS  I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.			
Contact: Enid Mendoza, (925) 335-1039	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors		
	By: , Deputy		

cc:

SLAL OF THE STATE OF THE STATE

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: Election of Retirement Board Member Numbers 3, 7, and 7 Alternate

### **RECOMMENDATION(S):**

- 1. ACKNOWLEDGE that the term of office of the Member 5, 6 and 9 seats and the Alternate to Seats 4, 5, 6, and 9 on the Contra Costa County Employees' Retirement Association Board of Trustees (Retirement Board) held by Debora Allen, Supervisor Candace Andersen, John Phillips and Jerry Holcombe, respectively, will expire on June 30, 2017; and that Supervisor Andersen was reappointed to Seat 6 by the Board of Suipervisors on January 10, 2016 to a new term expiring on June 30, 2020.
- 2. ACKNOWLEDGE that there is a standing referral to the Board's Internal Operations Committee to recruit to fill, by Board of Supervisors appointment, any vacancies that occur in seats 4, 5, 6 and 9 of the Retirement Board.
- 3. ACKNOWLEDGE that the terms of office of the Member 3, 7 and 7 Alternate seats on the Retirement Board held by Todd Smithey, Gabriel Rodrigues, and William Pigeon, respectively, will also expire on June 30, 2017.
- 4. ADOPT Resolution No. 2017/52 calling and noticing election of Retirement Board Members Number 3 (general), 7 and 7 Alternate (safety members of the Association), as recommended by the Contra Costa County Employees' Retirement Association Board.

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF CNTY	ADMINISTRATOR COMMITTEE
Action of Board On: 02/14/2017   Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Julie DiMaggio Enea (925) 335-1077	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: Deputy

cc: County Administrator, County Clerk - Elections Division, Retirement Administration

### **FISCAL IMPACT**:

None.

### **BACKGROUND**:

The terms of office of the following members of the Contra Costa County Employees' Retirement Association Board will expire on June 30, 2017: Todd Smithey (General Member - Number 3), Gabriel Rodrigues (Safety Member of the Association - Number 7), and William Pigeon (Safety Member of the Association - Number 7 Alternate). The general

members of the Association may elect the Number 3 member and the safety members of the Association may elect the Number 7 and 7 Alternate members, as provided in the attached Resolution.

Government Code Section 31520.1 (a) provides in part: "The seventh member shall be a safety member of the association elected by the safety members. The eighth member shall be a retired member elected by the retired members of the association in a manner to be determined by the board of supervisors. The alternate member shall be that candidate, if any, for the seventh member from the group under Section 31470.2 or 31470.4, or any other eligible safety member in a county if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4, which is not represented by a board member who received the highest number of votes of all candidates in that group, and shall be referred to as the alternate seventh member. If there is no eligible candidate there may not be an alternate seventh member."

Government Code section 31520.1 also provides in part: "(b)...The alternate seventh member provided for by this section shall vote as a member of the board only if the second, third, seventh, or eighth member is absent from a board meeting for any cause, or if there is a vacancy with respect to the second, third, seventh, or eighth member, the alternate seventh member shall fill the vacancy until a successor qualifies. The alternate seventh member shall sit on the board in place of the seventh member if a member of the same service is before the board for determination of his or her retirement.

- (c) The alternate seventh member shall be entitled to both of the following:
  - (1) The alternate seventh member shall have the same rights, privileges, responsibilities, and access to closed sessions as the second, third, seventh, and eighth member.
  - (2) The alternate seventh member may hold positions on committees of the board independent of the second, third, seventh, or eighth member and may participate in the deliberations of the board or any of its committees to which the alternate seventh member has been appointed whether or not the second, third, seventh, or eighth member is present."

Nominations shall be on forms provided by the County Clerk starting on Monday, February 20, 2017 and filed in that office not later than 5 p.m. on March 17, 2017. Election Day is fixed as Tuesday, June 13, 2017. Any Ballot reaching the County Clerk's Office after 5 p.m. on Tuesday, June 13, 2017 shall be voided and not counted.

### **CONSEQUENCE OF NEGATIVE ACTION:**

Delay in election of the 3rd, 7th, and 7th Alternate members of the Contra Costa County Employees' Retirement Association Board.

### ATTACHMENTS

Resolution No. 2017/52

Resolution No. 2016/46

### THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/14/2017 by the following vote:

AYE:	I SEAL
NO:	
ABSENT:	
ABSTAIN:	
RECUSE:	MA COUNTY

Resolution No. 2017/52

# In the Matter of the Election of Retirement Board Members Number 3, 7 and 7 Alternate / Calling and Noticing Election (Government Code Section 31520)

The Contra Costa County Board of Supervisors acting in its capacity as the Governing Board of the County of Contra Costa and all districts of which it is the ex-officio governing Board **RESOLVES THAT:** 

1. The term of office of members 3, 7, and 7 alternate of the Contra Costa County Employees' Retirement Association Board will be completed as of June 30, 2017. The members are as follows:

Member No.	<u>Name</u>				
3	Todd Smithey, General Member				
7	Gabriel Rodrigues, Safety Member				
7 Alternate	William Pigeon, Safety Alternate				

The appropriate members of the Retirement Association may elect someone to fill these offices for a three-year term beginning July 1, 2017 as provided below.

- 2. Nominations shall be on forms provided by the County Clerk starting on Monday, February 20, 2017 and filed in that office not later than 5 p.m. on March 17, 2017. The Clerk shall have ballots printed with the nominees' names and with blank spaces for write-in candidates. The Clerk shall have a ballot mailed no later than May 15, 2017 to each member of the appropriate group of the Retirement Association as of April 1, 2017 with a ballot envelope in which to enclose the ballot when voted, imprinted "Retirement Board Ballot" or similar words, together with a postage paid, Business reply envelope addressed to the County Clerk for mailing the ballot envelope to that office, and with instructions that the ballot shall be marked and returned to the County Clerk before 5 p.m. on election day. (See No. 3 below.)
- 3. <u>Election Day</u> is hereby fixed as Tuesday, June 13, 2017. Any Ballot reaching the County Clerk's Office after 5 p.m. on Tuesday, June 13, 2017 shall be voided and not counted.
- 4. <u>Notice</u> of election and nomination procedure shall be given by the Clerk by publishing a copy of this resolution at least once in the <u>Contra Costa Times</u>, West Contra Costa Times, San Ramon Valley Times, and the <u>Ledger Post Dispatch</u> at least ten days before the last day for receiving nominations. (See No 2 above.)
- 5. On Wednesday, June 14, 2017, the County Clerk shall cause all valid ballots to be publicly opened, counted, and tallied by an Election Board, which shall forthwith certify the return to this Board; and this Board shall declare the winners elected, or arrange for a run-off election in case of a tie.
- 6. If the County Clerk receives no valid nominations for the position, he shall so inform this Board which shall call a new election therefore; and if the Clerk receives only one nomination for any of these positions, he shall so notify this Board which shall declare that person elected to that position in accordance with Government Code Section 31523(c).

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Julie DiMaggio Enea (925) 335-1077

ATTESTED: February 14, 2017

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

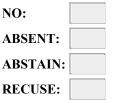
cc: County Administrator, County Clerk - Elections Division, Retirement Administration

### THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 02/02/2016 by the following vote:

John Gioia
Candace Andersen
Mary N. Piepho
Karen Mitchoff
Federal D. Glover





### Resolution No. 2016/46

In the Matter of the Election of Retirement Board Members Number 2, 8 and 8 Alternate / Calling and Noticing Election (Government Code Section 31520)

The Contra Costa County Board of Supervisors acting in its capacity as the Governing Board of the County of Contra Costa and all districts of which it is the ex-officio governing Board **RESOLVES THAT:** 

1. The term of office of members 2, 8, and 8 alternate of the Contra Costa County Employees' Retirement Association Board will be completed as of June 30, 2016. The members are as follows:

Member No.	Name			
2	Brian Hast, General Member			
8	Jerry Telles, Retired Member			
8 Alternate	Louis Kroll, Retired Alternate			

The appropriate members of the Retirement Association may elect someone to fill these offices for a three year term beginning July 1, 2016 as provided below.

- 2. Nominations shall be on forms provided by the County Clerk starting on Monday, February 22, 2016 and filed in that office not later than 5 p.m. on March 18, 2016. The Clerk shall have ballots printed with the nominees' names and with blank spaces for write-in candidates. The Clerk shall have a ballot mailed no later than May 16, 2016 to each member of the appropriate group of the Retirement Association as of April 1, 2016 with a ballot envelope in which to enclose the ballot when voted, imprinted "Retirement Board Ballot" or similar words, together with a postage paid, Business reply envelope addressed to the County Clerk for mailing the ballot envelope to that office, and with instructions that the ballot shall be marked and returned to the County Clerk before 5 p.m. on election day. (See No. 3 below.)
- 3. Election Day is hereby fixed as Tuesday, June 14, 2016. Any Ballot reaching the County Clerk's Office after 5 p.m. on Tuesday, June 14, 2016 shall be voided and not counted.
- 4. Notice of election and nomination procedure shall be given by the Clerk by publishing a copy of this resolution at least once in the Contra Costa Times, West Contra Costa Times, San Ramon Valley Times, and the Ledger Post Dispatch at least ten days before the last day for receiving nominations. (See No 2 above.)
- 5. On Wednesday, June 15,2016, the County Clerk shall cause all valid ballots to be publicly opened, counted, and tallied by an Election Board, which shall forthwith certify the return to this Board; and this Board shall declare the winners elected, or arrange for a run-off election in case of a tie.
- 6. If the County Clerk receives no valid nominations for the position, he shall so inform this Board which shall call a new election therefore; and if the Clerk receives only one nomination for any of these positions, he shall so notify this Board which shall declare that person elected to that position in accordance with Government Code Section 31523(c).

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

Contact: Julie DiMaggio Enea (925) 335-1077

ATTESTED: February 2, 2016

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

cc: Elections, , CCCERA Administrator

To: Board of Supervisors

From: David O. Livingston, Sheriff-Coroner

Date: February 14, 2017

Subject: U.S. Department of the Navy



Contra Costa County

### **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Sheriff-Coroner, or designee, to execute a License Agreement with the United States of America by the Secretary of the Navy, allowing the County to use a portion of the former Naval Weapons Station in Concord to conduct public safety training, for the period of December 16, 2016 through December 15, 2017. APPROVE and AUTHORIZE the Sheriff, or designee, to enter into Sublicense Agreements with other public agencies, in the form attached, allowing the public agencies to use the County-licensed portion of the former Naval Weapons Station in Concord to conduct public safety training, for the period ending December 15, 2017.

### **FISCAL IMPACT:**

Zero fiscal impact. Usage only agreement.

### **BACKGROUND:**

The Navy Office in San Diego has been managing the scheduling of the Marine Ocean Terminal Concord (MOTCO) Administrative Area for Public Safety training. For numerous years there were occurrences of scheduling conflicts, double bookings, and unscheduled training. The Navy has now provided the opportunity for the Office of the Sheriff to take control of scheduling training

<b>✓</b> APPROVE	OTHER
<b>№</b> RECOMMENDATION OF C	TY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	✓ APPROVED AS RECOMMENDED ☐ OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
Contact: Sandra Brown, 925-335-1553	ATTESTED: February 14, 2017  David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

### BACKGROUND: (CONT'D)

not only for this Office, but also any other public safety training our Office approves of. It is essential for the Office of the Sheriff to be able to train on the site in order to continue the Law Enforcement Training Academy program, since portions of the vehicle training can not be conducted on public roadways. Under the License Agreement, the County agrees to release the Navy from liability and must indemnity the Navy against loss of damage arising from the use of property.

### **CONSEQUENCE OF NEGATIVE ACTION:**

The Sheriff will not be able to enter into an agreement with the Navy for use of the Former CNWS.

### **CHILDREN'S IMPACT STATEMENT:**

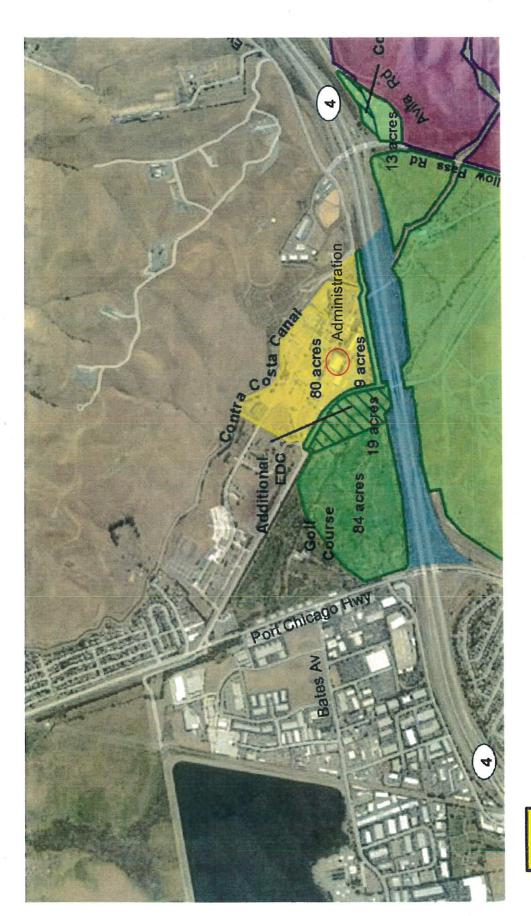
No impact.

### **ATTACHMENTS**

License Agreement

# LICENSE AGREEMENT

			Part Selection Control of the Contro				
LICENSE FOR NONFEDERAL USE OF DEPARTMENT OF THE NAVY REAL PROPERTY					ALL CORRESPONDENCE MUST REFERENCE:		
THIS LICENSE TO USE THE U.S. GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND IN THE ATTACHED GENERAL PROVISIONS. BY ITS EXECUTION, THE LICENSEE AGREES TO COMPLY WITH ALL THOSE TERMS, CONDITIONS, AND GENERAL PROVISIONS.				OR 1 1 1	1a. WORK ORDER NO: N/A 1b. FILE NO: N/A 1c. LICENSE (CONTRACT) NO: N4769217RP17P06		
2. PROPERTY LOCATION (Installation Name and Address)				3	3. DATES COVERED		
FORMER Naval Weapons Station Seal Beach Detachment Concord Concord, California			T P	FROM: 16 December 2016  THROUGH: 15 December 2017  Provided Licensee has delivered the required insurance certificates to the Licensor.			
4. DESCRIPTION OF PRE	EMISES (F	Room and building n	umbers whe	ere appropriate			0
4. DESCRIPTION OF PREMISES (Room and building numbers where appropriate)  The Licensed Premises, as shown on Exhibit "A," attached hereto and made a part hereof.							
5. PURPOSE AND USE AU	JTHORIZ	ED (Specific use, tir	nes and rec	curring/part-tim	e basis,	and land use contr	ols)
To authorize the Licensee and its Sub licensees to use the streets, buildings and structures within the Administration Area to conduct public safety training.							
6. LICENSOR UNITED STATES OF AMERICA BY THE SECRETARY OF THE NAVY  BRAC Program Management Office West 33000 Nixie Way, Bldg 50 Attn: Amy Jo Hill San Diego, CA 92147 Email: amy.hill@navy.mil / (619) 524-1680							
7. LICENSEE (Name, Address, Telephone Email) Contra Costa County, Office of the Sheriff 1980 Muir Road  7a. LOCAL REPRI Telephone, Email) CAPT Roxanne C			Gruenl	ENTATIVE OF LICENSEE (Name, Title, Address, uenheld y.us / (925) 313-9610			
	8. CASH PAYMENT BY LICENSEE - DUE IN ADVANCE						
		c. FIRST	FIRST DUE DATE d. SE		END PAYMENT TO: (Name and Mailing Address)		
9. EXHIBITS: The following are attached and incorporated into this License - A. MAP OF LICENSED PREMISES C. N/A B. GENERAL PROVISIONS E. SPECIAL PROVISIONS							
	*1 *1	1	0. EXECU	TION OF LIC	ENSE		
FOR THE SECRETARY OF THE NAVY	NAME: AMY JO HILL Real Estate Contracting Officer		SIGNATURE:		DATE:		
	NAME, ADDRESS AND EMAIL OF NAVFAC REAL ESTATE POINT OF CONTACT:						
LICENSEE I represent that I am authorized to bind	NAME: CAPT Roxanne Gruenheld Emergency Services Division			SIGNATUR	E:		DATE:



- Licensed Premises

FILE NO: N/A

LICENSE (CONTRACT) NO: N4769217RP17P06

#### EXHIBIT "B"

#### GENERAL PROVISIONS TO LICENSE FOR NON-FEDERAL USE OF REAL PROPERTY

- 1. <u>USE OF AND ACCESS BY LICENSEE.</u> The Licensor grants to the Licensee the right to use the premises or facilities described in block 4 and Exhibit "A" ("Premises"), together with the necessary rights of ingress and egress authorized by the Installation Commanding Officer. The Licensee and its invitees and contractors agree to absorb all costs, including time and expense, associated with gaining access to the Installation under the RAPIDGATE or similar program. Any parking that accompanies the use of, and any routes of access to and from, the Premises are subject to change at the sole discretion of the Installation Commanding Officer.
- 2. <u>TERM.</u> This License shall be effective for the period stated in block 3 and is revocable at any time without notice at the option and discretion of the Licensor or its authorized representative.
- 3. <u>USE OF PREMISES.</u> The use of the Premises shall be limited to the purposes specified in block 5, and no other.
- 4. <u>ASSIGNMENT/TRANSFER OF RIGHTS.</u> This License is neither assignable nor transferable by the Licensee. This license does not grant exclusive use or control of the licensed premises and grants no interest in the real property of the Licensor.
- 5. <u>UTILITIES AND SERVICES</u>. If utilities and services are furnished to the Premises, the Licensee agrees to reimburse the Licensor for the cost as determined by the Licensor in accordance with applicable statutes and regulations.

	Reimburser	nent for Utilities and Serv	rices	
Amount (Each Payment)	Frequency Payments	First Due Date	To (Mailing Address)	
	Due			
N/A	N/A	N/A	N/A	
			A 17	
Utilities / Services Furnishe	ed Are:	None [	☐ HVAC/ Steam Heat	_
☐Electricity ☐	Gas/Oil	Water/Sewer [	Garbage/Refuse/Recycling	
☐ Telephone ☐	Internet 🔲 (	Other:		
				at .

- 6. <u>PROTECTION AND MAINTENANCE OF PREMISES</u>. The Licensee, at its own cost and expense, shall protect, maintain, and keep the Premises under its control in good order. Licensee is responsible for repairing any damage to the Premises caused by Licensee, or its agents, employees, contractors, guests or invitees.
- 7. <u>IMPROVEMENTS AND RESTORATION.</u> No additions to, or alterations of, the Premises shall be made without the prior consent of the Licensor. Upon revocation or surrender of this License, to the extent directed by the Licensor, the Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the Premises to the same or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

#### 8. INDEMNIFICATION.

- a. The Licensee releases the Licensor and its employees from liability for death or injury to persons at the Premises.
- b. The Licensee, to the extent allowed by law, agrees to release and hold the Licensor and its employees harmless from, and to indemnify and defend them against, loss or damage to property caused by or arising from its use of the Premises, regardless of any contributory fault of the Licensor.
- c. The Licensee shall indemnify and save harmless the Licensor, its officers, agents, servants and employees from, and defend it and them against, all liability under the Federal Tort Claims Act (28 U.S.C. §§ 2671 and 2680) or otherwise, for death or injury to all persons, or loss or damage to the property of all persons resulting from its use of the Premises.

(BRAC) Version: 7 Oct 2015

FILE NO: N/A

LICENSE (CONTRACT) NO: N4769217RP17P06

# **EXHIBIT "B"**

#### GENERAL PROVISIONS TO LICENSE FOR NON-FEDERAL USE OF REAL PROPERTY

- d. The Licensee agrees that the Licensor, its officers, agents and employees shall be released from all liability on all suits, claims, actions or demands in any way related to or arising under the Licensee's use of the property. This release includes, but is not limited to, all environmental suits, claims, and enforcement actions, whether arising during the Licensee's construction on or use of the property, or after such use has ended.
- 9. <u>INSURANCE</u>. The Licensee shall procure and keep continuously in effect during the term of this License the insurance required as follows on terms and conditions satisfactory to the Licensor, with an insurer whose rating is acceptable to the Licensor.

(If any or all insur	Insurance Requirements have l	ed from Licensee been waived, enter "None" as a	appropriate)				
Type Amount (Per Type Amount (Per State Law) Occurrence)							
Commercial General Liability (Occurrence Policy Only) Bodily Injury (Single Limit) Property Damage Fire/Legal Liability Deductible	\$1,000,000 \$3,000,000 \$1,000,000 \$1,000,000 N/A	Worker's Compensation					

- · Licensor shall be named as additional insured.
- The insurer must be authorized to write insurance in the state where the Premises is located.
- Proceeds of policies shall be made payable to "Treasurer of the United States".
- Each policy of insurance covering bodily injuries and third party property damage shall contain an endorsement waiving the insurer's right of subrogation against the United States of America.
- No cancellation, reduction in amount, or material change in coverage shall be effective until at least sixty (60) days after receipt by the Licensor of written notice.
- Notwithstanding the foregoing, any cancellation of insurance coverage based on nonpayment of the premium shall be effective only upon thirty (30) days' written notice to the Licensor.
- The Licensee shall provide proof of insurance to the Licensor throughout the term of this License.

The Licensee will not be allowed entry on the Premises until it first delivers a certificate or certificates of required insurance to the Licensor.

#### 10. DAMAGE TO THE PREMISES.

a. In the event of damage, including damage by contamination, to any Government property by the Licensee, its officers, agents, servants, employees, or invitees, the Licensee, at the election of the Licensor, shall promptly repair, replace, or make monetary compensation for the repair or replacement of that property to the satisfaction of the Licensor. That obligation includes any damage discovered from the physical condition and environmental condition inspections notwithstanding the expiration or earlier termination or revocation of this License.

b. In the event that any item or part of the Premises shall require repair, rebuilding or replacement (collectively, "repair") resulting from loss or damage, the risk of which is assumed under this License, the Licensee shall promptly give notice to the Licensor and, to the extent of its liability as provided in this paragraph, shall either compensate the Licensor for any loss or damage within thirty (30) days of receipt of a statement, or repair the lost or damaged item or items of the Premises, as the Licensor may elect. If the cost of repair exceeds the liability of the Licensee for any loss or damage, the Licensee shall effect the repair if required to do so by the Licensor, and the excess of cost shall be reimbursed to the Licensee by the Licensor within thirty (30) days of receipt of a statement provided that appropriations are available for that purpose. In the event the Licensee shall have effected any repair that the Licensee is required to effect, the Licensor shall direct payment to the Licensee of so much of the proceeds of any

(BRAC) Version: 7 Oct 2015

FILE NO: N/A

LICENSE (CONTRACT) NO: N4769217RP17P06

#### **EXHIBIT "B"**

GENERAL PROVISIONS TO LICENSE FOR NON-FEDERAL USE OF REAL PROPERTY insurance carried by the Licensee and made available to the Licenser on account of loss of or damage to any item or part of the Premises that may be necessary to enable the Licensee to effect the repair. In the event the Licensee shall not have been required to effect the repair, and the insurance proceeds allocable to the loss or damage that has created the need for the repair have been paid to the Licensee, the Licensee shall promptly refund to the Licensor the amount of the proceeds.

- 11. <u>OFFICIALS NOT TO BENEFIT.</u> No member of, or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this License or to any benefit that may arise from it; but this provision shall not be construed to extend to this License if made with a corporation for its general benefit.
- 12. <u>COVENANT AGAINST CONTINGENT FEES.</u> The Licensee warrants that it has not employed any person to solicit or obtain this License upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Licensor the right to annul this License or in its discretion to recover from the Licensee the amount of that commission, percentage, brokerage or contingent fee in addition to the consideration for this license. This warranty shall not apply to commissions payable by the Licensee upon contracts or sales obtained or made through *bona fide* established commercial or selling agencies maintained by the Licensee for the purpose of acquiring business.
- 13. <u>NON-DISCRIMINATION</u>. In connection with the performance of work under this License, the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, or national origin. Non-discrimination shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post in conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts for work under this License, except subcontracts for standard commercial supplies or raw materials.

## 14. APPLICABLE RULES AND REGULATIONS.

- a. All activities authorized under this License shall be subject to rules and regulations regarding supervision or otherwise, that may, from time to time, be prescribed by the local representative of the Licensor.
- b. Upon request, the Licensee shall submit to the Licensor evidence of compliance with local, state, and Federal environmental laws and regulations.
- 15. <u>FEDERAL FUNDS</u>. This License does not obligate the Licensor to expend any appropriated funds. Nothing in this License is intended or should be interpreted to require any obligation or expenditure of funds in violation of the Anti-Deficiency Act (31 U.S.C. § 1341).
- 16. STORAGE OF TOXIC OR HAZARDOUS CHEMICALS. Storage, treatment, or disposal of toxic or hazardous materials on the Premises is prohibited except as authorized by the Licensor in accordance with 10 U.S.C. § 2692. Any hazardous materials that the Licensor authorizes the storage, treatment, or disposal of in connection with the use of the Premises shall be identified on a Hazardous Materials List and made a part of this License. Any such approved storage, treatment, or disposal of toxic or hazardous material by Licensee on the Premises shall be strictly limited to that material required or generated in connection with the authorized and compatible use of the Premises and shall be conducted in a manner consistent with the best interest of national defense as determined by the Secretary of the Navy and applicable law and regulations. As and to the extent caused by or attributable to the Licensee, Licensee shall have continued financial and environmental responsibility or liability for any and all direct or indirect consequences of the storage, treatment, or disposal of toxic or hazardous materials in accordance with Federal, state, and local laws. In addition, Licensee shall implement the environmental requirements of applicable facility plans including but not limited to Spill Plans, Emergency Response Plans, and Hazardous Waste Management Plans. In the event the

(BRAC) Version: 7 Oct 2015

LICENSE (CONTRACT) NO: N4769217RP17P06

# EXHIBIT "B"

GENERAL PROVISIONS TO LICENSE FOR NON-FEDERAL USE OF REAL PROPERTY Licensor approves the storage, treatment, or disposal of toxic or hazardous materials, the Licensee shall obtain insurance or post a bond in an amount sufficient to cover possible cleanup costs.

17. <u>ENVIRONMENTAL CONDITION OF PREMISES.</u> Exhibit "C", Environmental Condition of Property, sets forth the existing environmental condition of the Premises as represented by a baseline survey conducted by the Licensor.

Licensee is hereby made aware of the notifications contained in Exhibit "C" and shall comply with all restrictions set forth therein.

- 18. JOINT INSPECTION AND INVENTORY REPORT (NON ENVIRONMENTAL). A Joint Inspection and Inventory Report (JIIR) has been conducted by representatives of the Licensor and the Licensee documenting the condition of the Premises. The report is attached to this License and made a part hereof as Exhibit "D". The Premises shall be delivered to the Licensee on an "As Is, Where Is" basis, and, as such, Licensor makes no warranty relative to the Premises as to its usability generally or as to its fitness for any particular purpose. Any safety and/or health hazards identified and listed as such in the JIIR shall be corrected at the Licensee's expense prior to use and occupancy of the relevant portion of the Premises. Such safety and/or health hazards shall be limited to those identified in the JIIR. In the event this License is terminated and the parties have not agreed to enter into a new License, or another agreement, Licensee shall return the Premises to the Licensor in the same condition in which it was received, reasonable wear and tear and Acts of God excepted. Licensee may, at its expense and with prior written approval of the Licensor: (a) replace any personal property with personal property of like kind and utility, (b) replace any personal property in a good and workmanlike manner, and (c) dispose of any worn out, obsolete or nonfunctioning personal property, in accordance with applicable laws and regulations. Licensor shall not unreasonably withhold or delay granting its approval to Licensee's request for such actions.
- 19. <u>ADMINISTRATIVE COSTS.</u> At the termination or expiration of this License, at the Licensor's discretion, Licensee shall be responsible for administrative costs associated with completing a final inspection of the premises and updating the Environmental Condition of Property.
- 20. <u>NOTICES.</u> Correspondence concerning this License shall be provided to both the Local Representative identified in Block 6a. and the Real Estate Contracting Officer identified in Block 10.
- 21. STATEMENT OF COMPLIANCE. Pursuant 10 U.S.C. § 2662:
  - a. This license is not subject to the requirements of this section; or,
  - b. This license is subject to the requirements of this section and said requirements have been met.
- 22. <u>ADDITIONS, MODIFICATIONS AND DELETIONS.</u> Prior to the execution of this License, the following provisions were added, modified or deleted:

Provisions 1, 17, 18, 19 and 21b have been deleted and or modified.

# Special Provisions Exhibit "E"

a. Licensee shall maintain and communicate a monthly training schedule that identifies dates of intended use and access. This schedule shall indicate the type of training involved and estimate number of personnel that will attend the training event.

Licensee is hereby informed that portions of the road infrastructure are subject to a License with the City of Concord and close coordination with the City to deconflict the research development purpose of the City License is required. By the 1st of every month, the Licensee shall notify each of the following entities of the training schedule anticipated for the next 60 days:

# **Navy Notification POCs:**

Sofia Loomis – (619) 524-5259, sofia.g.loomis@navy.mil Glen Nelson– (415) 743-4703, (510) 224-0566, glen.nelson.ctr@navy.mil

# **MOTCO Notification POCs:**

Glen Nelson- (415)743-4703, (510) 224-0566, glen.nelson.ctr@navy.mil

# **City of Concord Notification POC:**

Pamela Laperchia- (925) 671-3001, Pamela.Laperchia@cityofconcord.org

- b. No overnight occupancy is permitted.
- c. Licensee shall ensure that the Licensed Premises will be clean of debris and trash at the end of the use of the Licensed Premises, to the satisfaction of the Government, and will keep the Licensed Premises clean and orderly on a daily basis. Non-compliance with this provision may be the basis for License termination or revocation of future request.
- d. No fueling will be authorized within the Licensed Premises.
- e. Sublicensing is authorized. See Special Provision "y" for Sublicensing requirements.
- f. Licensee will not block the Licensor, its contractors or other Licensees from the Licensed Premises.
- g. Unless specifically authorized in Section 5 of Page 1 of the License, all vehicles traversing the property the Licensee will remain on paved roads on the Licensed Premises.
- h. Government shall have no responsibility for the protection and safeguarding of any personal vehicles or any other personal property brought onto Naval Weapons Station Seal Beach, Detachment Concord, in connection with this License.

- i. Signage, other than directional signs, is prohibited. Directional signs must be freestanding or located on existing poles and must be removed after the conclusion of the License term.
- j. Licensee may not conduct operations that would interfere or otherwise restrict environmental cleanup or restoration actions by the Government, the US EPA, State environmental regulators, or their contractors. In the event of any conflict, environmental cleanup, restoration, or testing activities by these parties shall take priority over Licensee's use of the Licensed Premises.
- k. Government's rights under this License specifically include the right for Government officials to inspect, upon reasonable notice, the Licensed Premises for compliance with environmental, safety, and occupational health laws and regulations, whether or not the Government is responsible for enforcing them. Such inspections shall not interfere with Licensee's activities unless immediate entry is required for safety or security reasons or in the event of an emergency. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Licensee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor or subcontractor thereof.
- I. Licensee shall not use groundwater and shall not disturb or cause to be disturbed Government groundwater monitoring wells and equipment. Licensee shall not conduct any subsurface excavation, digging, drilling, or other disturbance of the surface at the Licensed Premises.
- m. Access to Installation Restoration Program sites, Military Munitions Response Program sites, wetlands, archeological sites, areas with archeological potential, areas that support Federally listed endangered/threatened species, areas utilized by other Federal or DoD entities, and areas utilized by other licensees, lessees, or other agreements are prohibited.

In the event that archaeological materials (e.g., shell, wood, bone, or stone artifacts) or human remains are found or suspected during operations, the Licensee shall stop training in the area of the discovery, secure the site, and notify the Government as soon as practicable, but no longer than 24 hours after the discovery. The Licensee shall not proceed with training until the Government has the opportunity to evaluate the find, and the Government gives the Licensee direction to resume training.

n. Licensee will at all times during the use of this License promptly observe and comply, at its sole cost and expense, with the provisions of all applicable Federal, State, and local laws, regulations, and standards concerning environmental quality and pollution control and abatement. Licensee covenants that it will not generate, use, or store hazardous substances or hazardous waste on the Licensed Premises. Licensee shall promptly notify the Government and supply copies of any notices, reports, correspondence, and submissions made by Licensee to any Federal, State, or local authority, or received by Licensee from said authority, concerning environmental

matters or hazardous substances or hazardous waste on, about, or pertaining to the Licensed Premises.

- o. Licensee is prohibited from using the Licensed Premises for the treatment or disposal of toxic or hazardous materials, which includes material of a flammable or pyrotechnic nature. No smoking is permitted within the Licensed Premises.
- p. No notice, order, direction, determination, requirement, consent or approval under this License shall be of any affect unless it is in writing and signed by the Parties to this License.
- q. Still photography or filming is prohibited unless otherwise requested in writing by the Licensee and permission is authorized in writing by the Government, and only with strict observation of any additional precaution or procedure the Government may specify.
- r. Licensee is responsible for ensuring that the buildings are properly secure upon leaving the Licensed Premises each day during the term of the License. Licensee shall be required to pay for the repair or replacement of any structural damage (e.g., windows, walls, doors, floors) to the Licensed Premises caused from the training or vandalism.
- s. No hazardous materials or explosives are authorized within the Licensed Premises. No chemicals, pyrotechnics, flame, heat, smoke, paint, etc., will be utilized by the Licensee. All training will be simulated and no chemical hardware devices will be utilized. **LIVE MUNITION TRAINING IS STRICTLY PROHIBITED**.
- t. Notification is hereby given that the buildings authorized for use for training purposes at the former Concord Naval Weapons Station may contain asbestos. Your agency's Industrial Hygiene Specialist may coordinate access to verify the presence of friable asbestos. All posted signs stating limited or prohibited access due to asbestos must be followed. Information regarding asbestos is hereby attached as Attachment "A" to these Special Provisions (Fact Sheet July 2003; "What is Asbestos?" 3 pages) and made part of this License agreement with the Department of the Navy. If you have any questions, please call the CSO (as cited in paragraph a. of these Special Provisions).
- u. The Licensed Premises are delivered to the Licensee "AS IS, WHERE IS", and, as such, the Government makes no warranty as to such facilities and property either as to their usability generally or as to their fitness for any particular purpose. At the termination of this License, Licensee shall turn over to the Government the Licensed Premises in the same, or as good a condition in which they were received, reasonable wear and tear excepted.
- v. Notice is hereby given that the Government is no longer maintaining the property at the level of an operational Navy base and safety hazards may be present. The Navy has not inspected the building and Licensee assumes any and all risk from its use.

- W. LICENSEE ACKNOWLEDGES THAT LICENSEE AND ITS INVITEES ARE ENTERING THE LICENSED PREMISES AT THEIR OWN RISK AND LICENSEE EXPRESSLY INDEMNIFIES AND HOLDS THE LICENSOR HARMLESS FOR ANY DAMAMGE OR HARM TO LICENSEE AND ITS INVITEES RESULTING FROM USE OF THE LICENSED PREMISES. LICENSEE ACKNOWLEDGES THAT IT HAS PROVIDED EACH INVITEE WITH A COMPLETE COPY OF THIS LICENSE AND HAS PERSONALLY ADVISED EACH INVITEE OF THE RISKS ASSOCIATED WITH USE OF THE LICENSED PREMISES, INCLUDING BUT NOT LIMITED TO THOSE RISKS RELATED TO CONTACT WITH UNEXPLODED ORDNANCE. SHOULD THE LICENSEE ENCOUNTER ANY METALLIC OBJECTS, IT SHALL IMMEDIATELY CEASE ALL ACTIVITY AND CONTACT THE CSO POINT OF CONTACT.
- x. Law enforcement agencies that use canine units during their training must pick up dog waste and dispose in a proper manner upon leaving the Licensed Premises.
- y. Licensee may sublicense to entities without Government approval on the basis that all License terms and conditions will be provided to Sublicensee. Licensee shall be responsible for retaining documentation (sublicense, permits, etc.) related to Sublicensee use. Sublicensees shall be provided a copy of the entire License, including Asbestos fact sheet (Attachment "A").
- z. Licensee acknowledges that planned training events may be cancelled at the request of the Licensor for reasons including but not limited to public events, access requests in support of the Navy environmental program, Navy response actions, etc.
- aa. <u>Fire Training Equipment (Hazardous Substance Exclusion)</u> Licensee shall be authorized to use its personal equipment (fire box training simulator) on the Licensed Premises on the basis that Licensee shall have obtained any and all necessary approvals to comply with local, state, and federal air emission regulations. Licensee shall retain a copy of all BAAQMD approvals granted in connection with its use of the premises. Licensee shall provide copies to the Licensor upon request.
- bb. In order to alleviate public concerns of an actual fire, Licensee shall operate equipment away from City of Concord Golf Course and as far away from Highway 4 as possible.
- cc. In order to assist the City of Concord in handling concerned resident phone calls, LICENSEE SHALL PROVIDE NO LESS THAN 48 HOUR NOTICE TO THE CITY OF CONCORD POC WHEN LICENSEE INTENDS TO USE FIRE TRAINING EQUIPMENT.
- dd. Licensee acknowledges that one building (IA-7) within the Licensed Premises has been Licensed to the City of Concord for use by its sublicensee for storage of vehicles and is hereby excluded from this License and is not a component of the Licensed Premises. Licensee shall not conduct training activities directly adjacent to IA-7 and shall not block or hinder the City of Concord (and its assigns) from entering IA-7.

# NON-FEDERAL SUBLICENSE

# SUBLICENSE AGREEMENT FOR USE OF NAVAL WEAPONS STATION FOR TRAINING PURPOSES

This Sublicense Agreement between the Coun	ty of Contra Costa, a political
subdivision of the State of California ("County") and	
("Agency") is entered into as of	_ ("Effective Date").

# RECITALS

- A. The United States of America, through the Secretary of the Navy, and the County have entered into a License Agreement ("License Agreement") that authorizes the County to use certain streets, buildings, and structures located within the inland area of the former Naval Weapons Station Seal Beach Detachment Concord ("Naval Weapons Station") to conduct public safety training. A true and correct copy of the License Agreement is attached as Exhibit 1.
- B. Section (y) of Exhibit E of the License Agreement authorizes the County to sublicense its use of the Naval Weapons station to other public agencies to allow them to conduct public safety training.
- C. Agency desires to conduct public safety training at the Naval Weapons Station.

NOW, THEREFORE, the parties, for good and valuable consideration, the sufficiency of which is acknowledged, agree as follows:

- 1. Right of Entry and Use. Subject to the terms and conditions of the License and the terms and conditions of this Sublicense, County hereby grants Agency, its officers, employees, and agents, permission to enter and use the portion of the Naval Weapons Station shown on Exhibit A to the License Agreement and marked as the Licensed Premises (the "Premises") for the purpose of conducting public safety training (such permission, the "Sublicense"). Use of any other portions of the Premises is forbidden. Agency may not enter the Premises without the prior written permission of County.
- 2. Indemnity. In consideration for the Sublicense, Agency shall indemnify, defend, save, protect and hold County harmless from all claims, cost, loss, liability, expense, damage (including consequential damages) or other injury, claim, action or proceeding, including without limitation, attorneys' fees and expenses, to the fullest extent not prohibited by applicable law, arising out of or connected with Agency's use of the Premises and all activities taken pursuant to this Sublicense. This paragraph shall survive the termination or expiration of this Sublicense.
- Assumption of Risk and Release. For purposes of the activities to be conducted on the Premises by Agency, on behalf of itself, its officers, employees, agents, and invitees, Agency enters onto the Premises at its own risk and in the Premises' presently existing condition "AS IS," with all faults. County has no obligation to

improve, alter, secure or make safe the Premises for purposes of all activities taken pursuant to this Sublicense or to correct any hazardous, unsafe or other conditions existing on any portion of the Premises. County has no liability or obligation to Agency for any injury to persons or damage to property arising out of or in connection with Agency's use of the Premises under this Sublicense.

Agency acknowledges receipt of a complete copy of the License Agreement, including Attachment A to the License Agreement (the Asbestos fact sheet), and acknowledges that it has been advised of the risks associated with its use of the Premises, including those risks related to contact with unexploded ordnance.

Agency hereby releases and discharges County and its employees, agents, attorneys, officers, divisions, related agencies and entities, affiliates, successors and assigns, from any and all claims, demands, causes of action, obligations, damages and liabilities, which Agency now have or could assert in any manner related to or arising from the condition of the Premises or Agency's entry onto the Premises. Agency knowingly waives the right to make any claim against County for such damages and expressly waives all rights provided by section 1542 of the California Civil Code, which provides as follows:

A GENERAL RLEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

This release shall survive the termination or expiration of this Sublicense.

# 4. Term and Termination.

- 4.1 Duration. This Sublicense and the rights granted hereunder shall be coterminous with that of the License unless sooner terminated as provided herein.
- 4.2 Termination. Either party may terminate this Sublicense for any reason upon 30 days prior written notice.
- 4.3 Obligations Upon Termination. Immediately upon termination of this Sublicense for any reason, Sublicensee shall completely cease participating in any public safety training at the Naval Weapon Station.
- 5. Non-transferable. This Sublicense may not be transferred or assigned.
- 6. <u>Insurance</u>. Agency agrees to provide County with a certificate of self-insurance showing liability coverage of the types and in the amounts set forth in the License Agreement, covering Agency's use of the Premises and naming County, its officers,

3	employees and agents as additional insuprovided at the time this Sublicense is ex		
7.	Notices. All notices (including requests communications) under this Sublicense the following addresses and telephone n	shall b	e directed to the following persons at
	County:		
	Agency:		
-			
8.	<u>Property Rights</u> . This Sublicense does interest of title in or to the Premises, but Premises as described herein.	not reponds	present or give Agency any right or presents a temporary right to use the
AC	ENCY	CON	TRA COSTA COUNTY
Bv		Bv:	
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# FEDERAL SUBLICENSE

# SUBLICENSE AGREEMENT

## NAVAL WEAPONS STATION

This Sublicense Agreement bety	ween the County of Contra Costa, a political
subdivision of the State of California ("	County") and the
("Agency") is dated	, 201 ("Effective Date").

## RECITALS

- A. The United States of America, through the Secretary of the Navy, and the County have entered into a License Agreement ("License Agreement") that authorizes the County to use certain streets, buildings, and structures located within the inland area of the former Naval Weapons Station Seal Beach Detachment Concord ("Naval Weapons Station") to conduct public safety training. A true and correct copy of the License Agreement is attached as Exhibit 1.
- B. Section (y) of Exhibit E to the License Agreement authorizes the County to sublicense its use of the Naval Weapons Station to other public agencies to allow them to conduct public safety training.
- C. Agency desires to conduct public safety training at the Naval Weapons Station.

The parties therefore agree as follows:

#### AGREEMENT

- 1. Right of Entry and Use. Subject to the terms and conditions of the License and the terms and conditions of this Sublicense, County hereby grants Agency, its officers, employees, and agents, permission to enter and use the portion of the Naval Weapons Station shown on Exhibit A to the License Agreement and marked as the Licensed Premises (the "Premises") for the purpose of conducting public safety training (such permission, the "Sublicense"). Use of any other portions of the Naval Weapons Station is forbidden. Agency may not enter the Premises without the prior written permission of County. Agency is responsible for repairing any damage to the Premises caused by Agency, or its agents or employees.
- 2. <u>Acknowledgements</u>. Agency acknowledges that it has received a copy of the License Agreement. In connection with its use of the Premises and except as otherwise stated in this Sublicense, Agency shall comply with County's obligations under the License Agreement, including the Special Provisions set forth in Exhibit E to the License Agreement. Because Agency is a federal agency, Paragraph 8 (Indemnification) and Paragraph 9 (Insurance) of the License Agreement do not apply to Agency.

3. <u>Insurance</u>. Agency, as an agency of the United States Government, is self-insured and will, pursuant to the terms and conditions of the Federal Tort Claims Act (Title 28, United States Code, Sections 1346(b) and 2671080), assume financial responsibility for any claims for personal or property damage, including death, caused by the negligent or wrongful acts of Agency's employees in the scope of their employment in connection with this Sublicense.

In the event an Agency employee conducting official business during use of the Premises is injured, Agency agrees to process and forward any claims for employee compensation to the United States Department of Labor ("USDOL") pursuant to the Federal Workers' Compensation Statutes (Title 5, United States Code, Section 8101 et seq.) and pertinent regulations promulgated by the USDOL.

4. <u>Assumption of Risk and Release</u>. For purposes of the activities to be conducted on the Premises by Agency, on behalf of itself, its officers, employees, agents, and invitees, Agency enters onto the Premises at its own risk and in the Premises' presently existing condition "AS IS," with all faults. County has no obligation to improve, alter, secure or make safe the Premises for purposes of any activities taken pursuant to this Sublicense or to correct any hazardous, unsafe or other conditions existing on any portion of the Premises. County has no liability or obligation to Agency for any injury to persons or damage to property arising out of or in connection with Agency's use of the Premises under this Sublicense.

Agency acknowledges receipt of the License Agreement, including Attachment A to the License Agreement (the Asbestos fact sheet), and acknowledges that it has been advised of the risks associated with its use of the Premises, including those risks related to contact with unexploded ordnance.

Agency hereby releases and discharges County and its employees, agents, attorneys, officers, divisions, related agencies and entities, affiliates, successors and assigns, from any and all claims, demands, causes of action, obligations, damages and liabilities, which Agency now has or could assert in any manner related to or arising from the condition of the Premises or Agency's entry onto the Premises. Agency knowingly waives the right to make any claim against County for such damages and expressly waives all rights provided by section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

This release shall survive the termination or expiration of this Sublicense.

# 5. <u>Term and Termination</u>.

- 5.1 Duration. This Sublicense and the rights granted hereunder shall be coterminous with that of the License unless sooner terminated as provided herein.
- 5.2 Termination. Either party may terminate this Sublicense for any reason upon 30 days prior written notice.
- 5.3 Obligations Upon Termination. Immediately upon termination of this Sublicense for any reason, Agency shall completely cease participating in any public safety training at the Premises.
- 6. Non-transferable. This Sublicense may not be transferred or assigned.
- 7. <u>Notices</u>. All notices (including requests, demands, approvals or other communications) under this Sublicense shall be directed to the following persons at the following addresses and telephone numbers:

# County:

Contra Costa County Office of the Sheriff 1980 Muir Road Martinez, CA 94553 (925) 646-4461

Agency:

[Remainder of Page Intentionally Left Blank]

County		Agency	
County of Contra Costa, a political subdivision of the S	State of		
	8		
Ву:		Ву:	

8.

Premises as described herein.

<u>Property Rights</u>. This Sublicense does not represent or give Agency any right or interest of title in or to the Premises, but only represents a temporary right to use the



# CONTRA COSTA COUNTY OFFICE OF THE SHERIFF DAVID O. LIVINGSTON SHERIFF - CORONER

Dear MOTCO Sublicensee.

This document is to inform you that MOTCO buildings may have been constructed with asbestos-containing material (ACM). Below is information adapted from Contra Costa County Risk Management's Annual Asbestos Notification. It includes information about asbestos, safety procedures, and precautions to protect you and your personnel from exposure.

## WHAT IS ASBESTOS?

Asbestos is a naturally occurring mineral composed of long thin fibrous crystals. It was commonly used in many building materials prior to 1979 because of its insulation, sound absorbent and fire retardant qualities. There are two main categories of asbestos fibers – "friable" and "non-friable."

Friable ACM is any material that contains more than one percent asbestos by weight or area, depending on whether it is a bulk or sheet material and can be crumbled, pulverized, or reduced to powder by the pressure of an ordinary human hand. Friable ACM is commonly found in insulation material around water heaters, pipes, ceilings, I-beams, and attics.

Non-friable ACM is any material that contains more than one percent asbestos, but cannot be pulverized under hand pressure. Asbestos is rarely used alone, and is often safe when bonded to other materials with bonding agents. Non-friable asbestos is commonly found in floor tiles, baseboards, mastic, ceiling tiles, plaster, roofs, and other building materials.

When asbestos is intact, the material does not cause harm. ACM may become unsafe when it is disturbed. For your safety, it is important to follow the safety procedures below:

- 1. Avoid moving, drilling, cutting, abrading, or otherwise disturbing ACM.
- 2. If suspected asbestos has been disturbed, do not panic. Do NOT attempt to clean up known or suspected asbestos debris by yourself.
- 3. IMMEDIATELY notify the Office of the Sheriff, Office of Emergency Services directly at (925) 646-4461 during business hours, or via Sheriff's Dispatch at (925) 646-2441 after hours.
- 4. Section off and isolate affected areas. Relocate employees to work in an alternate area.

#### WHAT ARE THE HEALTH RISKS?

In 1987, the Environmental Protection Agency (EPA) studied the airborne asbestos levels in Federal government buildings and compared them to outdoor levels. Asbestos levels in these buildings were low and essentially the same as the asbestos levels outside the buildings. The EPA reported that office buildings have much lower asbestos levels than industrial settings. Disease is very unlikely to result from a single, high-level exposure, or from a short period of exposure to lower levels.

Federal OSHA reports that employees involved in demolition and renovation activities had the highest asbestos exposures and risks. Diseases caused by asbestos include asbestosis (scarring of the lungs), lung cancer, mesothelioma (cancer of the lining of the lungs or abdomen), and other specific types of cancer.

OSHA requires persons working with asbestos to attend extensive safety training, use proper work practices to contain asbestos fibers, and wear appropriate personal protective equipment.

# ASBESTOS HANDLING RESTRICTIONS

Construction activities involving asbestos are highly regulated. Only trained personnel can perform repairs, maintenance, renovation, and/or other construction activity in buildings with asbestos-containing material.

# ASBESTOS INFORMATION ACKNOWLEDGEMENT

Please have all personnel who plan to train on the MOTCO site review this document and sign the attached Acknowledgement Form (use multiple copies of the form if necessary). Return the signed form(s) to the Office of the Sheriff, Office of Emergency Services, 50 Glacier Drive, Martinez, CA 94553. Your organization is required to renew the signed acknowledgement each year.

If you have further questions about this notification, please call the Office of the Sheriff, Office of Emergency Services at (925) 646-4461.



# Asbestos Awareness

"Asbestos" is a term that refers to a group of six naturally occurring minerals. Those used most are:

- o Chrysotile (white/gray) is the most common. Long curly fibers; native to the US and Canada.
- o Amosite (brown/off white/reddish brown) straight fibers; native to South Africa.
- o Crocidolite (blue) The fibrous form of Reibeckite; Straight fibers; relatively rare in US.

Asbestos Containing Material (ACM) means any material containing more than 1% asbestos.

Presumed Asbestos Containing Material (PACM) means thermal system insulation and surfacing material in buildings constructed before 1979. These materials may not have been tested, but due to their age and use, they are presumed to contain asbestos.

- o **Thermal System Insulation (TSI)** means ACM applied to pipes, fittings, boilers, tanks, ducts or other structural components to prevent heat loss or gain.
- Surfacing material means material that is sprayed, troweled-on or otherwise applied to surfaces (for acoustical, fireproofing, and other purposes).

# Asbestos Properties: Fiber Size and Durability

- All asbestos types tend to break into tiny fibers.
- Individual fibers are so small that they must be identified under a microscope. Some fiber pieces are up to 700 times smaller than a human hair.
- Because asbestos fibers are so small, once released into the air, they may stay suspended there for hours or even days.
- Asbestos fibers are virtually indestructible, resistant to chemicals, heat, and stable in the environment. They do not evaporate into air or dissolve in water, and they are not broken down

"<u>Friable</u>" means that the asbestos can be easily crumbled by hand, releasing fibers into the air. Sprayed on asbestos insulation is highly friable, floor tile is not. Is considered more hazardous than the non-friable type.

- Sprayed-on acoustic treatments and fireproofing, plasters, paints;
- Wall and ceiling insulation
- Pipes and boilers

"Non-Friable" asbestos is asbestos that is more durable because it is held together by a binder such as cement, vinyl, or asphalt. These materials will not release fibers if they are not disturbed or damaged.

- Asbestos cement
- Acoustical plaster and ceiling tiles
- Vinyl asbestos product—floor tiles
- Roofing felts
- Drywall joint-filling compounds
- Coatings and mastics

# Asbestos Exposure Health Effects

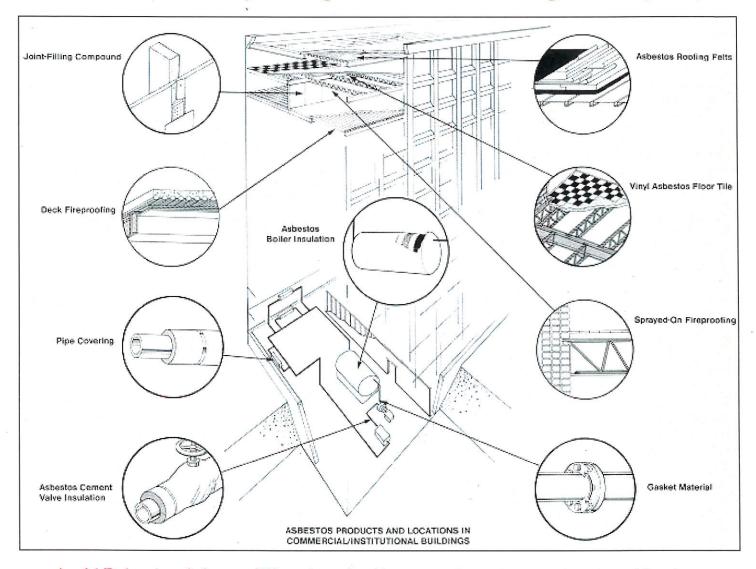
Because asbestos fibers are small and difficult to destroy, our bodies cannot expel or break them down. Asbestos can accumulate in the body and cause disease. The greater the dose (amount) and the longer the exposure to asbestos, the greater the risk of developing health effects. Inhalation is the primary route of exposure to asbestos, followed by dermal contact and ingestion. Asbestos related diseases include:

<u>Asbestosis</u>, a non-cancerous, disabling and/or fatal disease associated with a buildup of scar-like tissue in the lungs that can cause cardiac failure;

<u>Lung cancer</u> is the most common disease related to historical asbestos exposure. Those who smoke and are exposed to asbestos have a considerably greater risk of developing lung cancer than those who are exposed and do not smoke;

<u>Mesothelioma</u> is a form of cancer occurring in the lining of the lungs, chest, abdomen, and in some cases the heart. This rare form of cancer is presumed to be caused by asbestos exposure.

# How can you identify buildings with asbestos containing material (ACM)



# Avoid Releasing Asbestos Fibers into the Air: Do not disturb ACM or PACM by avoiding the following activities:

<ul> <li>Drilling</li> </ul>	Disturbing/ breaking ceiling tiles
<ul> <li>Cutting</li> </ul>	Removing/ replacing insulation
<ul> <li>Hammering</li> </ul>	Disturbing sprayed on asbestos
<ul> <li>Sawing</li> </ul>	

# **Asbestos Summary:**

- Assume that all suspect materials installed before 1979 contain asbestos.
- <u>DO NOT DISTURB</u> any suspected asbestos material.
- *NOTIFY* your Supervisor or Department Safety Coordinator if you notice any debris or damage to suspected asbestos materials
- <u>REPORT</u> suspected asbestos problems to the General Services, Building Maintenance Division immediately at 31(3)-7052.

# **ANNUAL ASBESTOS NOTIFICATION 2015**

Building Address	Department	-
Group	Acknowledgement Form	
DIVISION	SUPERVISOR	
Date:		

"I have received and read the information in the County Asbestos Notification Memo (2015)."

	Last Name / First Name	Emp#	Signature	Date
1.				
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18.				191
19.				
20.				
21.				

• Please return completed forms to your Supervisor or Department Safety Coordinator

SLAI O

Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 14, 2017

Subject: Allocation of \$3,031,696 in CDBG Funds; and \$2,506,601 in HOME Funds as Recommended by the Affordable

Housing Finance Committee

# **RECOMMENDATION(S):**

- 1. APPROVE the Affordable Housing Finance Committee recommendations for the allocation of \$3,031,696 in Community Development Block Grant (CDBG) funds (\$1,800,000 of anticipated FY 2017/18 funds, and \$1,231,696 of recaptured and repaid funds) to support affordable housing projects in North Richmond, Richmond and Walnut Creek, and housing services Countywide.
- 2. APPROVE the Affordable Housing Finance Committee recommendations for the allocation of \$2,506,601 in HOME Investment Partnerships Act funds (HOME), (\$1,900,000 of anticipated FY 2017/18 funds and \$606,601 of HOME recaptured and repaid funds), to support affordable housing projects in Antioch, Pleasant Hill, Pittsburg and Walnut Creek.

# **FISCAL IMPACT:**

cc:

No General Fund impact. HOME Investment Partnerships Act and Community Development Block Grant funds are provided to the County on a formula allocation basis through the U.S. Department of Housing and Urban Development (CFDA numbers 14.218 and 14.239).

<b>✓</b> APPROVE	OTHER
✓ RECOMMENDATION OF C	NTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: Kara Douglas 925-674-7880	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

# **BACKGROUND:**

The Affordable Housing Finance Committee (AHFC) is a Board of Supervisors-appointed committee that develops funding recommendations for the Board concerning the allocation of federal funds for affordable housing development. The current funding recommendations are the result of a competitive application process initiated in October of 2016. A Notice of Funding Availability was sent to over 100 jurisdictions, public agencies, affordable housing developers and interest groups active in the Urban County (the unincorporated County and all cities except for Antioch, Concord, Pittsburg, and Walnut Creek) and the HOME Consortium area (the Urban County and all cities). The Department of Conservation and Development received 10 applications requesting approximately \$9.5 million (\$3.5 million in Community Development Block Grant funds and \$6 million in HOME Investment Partnerships Act funds). The applications include four projects that together will develop 199 new affordable apartments, three projects that together will rehabilitate 102 existing affordable units, and three project that will provide 55 low interest loans and grants to families to rehabilitation their homes.

The Affordable Housing Finance Committee met on January 30, 2017, to consider funding recommendations from staff for Community Development Block Grant-Housing and HOME Investment Partnership Act projects. Members of the public, including project sponsors, were invited to attend and provide input into the allocation process. Following discussion and comment on each project, the Affordable Housing Finance Committee developed recommendations for the allocation of CDBG and HOME funds. A summary of the applications and the Affordable Housing Finance Committee actions is attached. The funding recommendations for the housing projects are coming to the Board ahead of the rest of the CDBG projects so that project sponsors can submit applications for low income housing tax credits on March 1 (nine percent tax credits) and March 17 (four percent tax credits).

Funds for these projects consist of anticipated funding from the U.S.Department of Housing and Urban Development (HUD) and funds from canceled projects, recaptured allocations, and loan payments. HUD does not have an approved budget for fiscal year 2017 and is working under a Continuing Resolution (CR). The CR is set to expire at the end of April. Staff expects to receive the same allocation of HOME and CDBG funds that the County received this year. However, HUD may have a funding reduction that could impact either or both the HOME and CDBG programs. All funding recommendations are contingent on the County receiving grant allocations from HUD that are either similar to or greater than the anticipated grant award.

FY 2017/18 Community Development Block Grant, HOME Investment Partnerships Act, and Emergency Solutions Grant Action Plan and the Substantial Amendment to the FY 2016/17 Action Plan: The Action Plan describes the activities the County will undertake during the program year to address priority needs identified in the Contra Costa County FY 2015-20 Consolidated Plan. The Action Plan identifies the use of grant funds and program income received during the program year by activity, and proposed accomplishments. The Action Plan also includes actions the County proposes to undertake during the year to address obstacles in meeting under-served persons, foster and maintain affordable housing, reduce the number of households living under the poverty level, and enhance coordination between public and private housing and social service agencies.

DCD staff will bring the FY 2017/18 Action Plan and the Substantial Amendment to the FY 2016/17 Action Plan to the Board on May 9, 2017, for approval. In order to begin the program year on time, the FY 2017/18 Action Plan must be approved by the Board and submitted to HUD by May 15, 2017.

Environmental Review: All Community Development Block Grant, HOME Investment Partnerships Act, Housing Opportunities for Persons with HIV/AIDS, and Emergency Solutions Grant projects are subject to National Environmental Policy Act (NEPA) 24 CFR Part 58 review. The NEPA review for each project will be completed prior to entering into project agreements or other legal documents for the project. Housing developments are also subject to the California Environmental Quality Act (CEQA) review. CEQA review will be carried out by the responsible entity.

To implement the allocations once they are approved by the Board, the County will enter into various legal documents with the developers for each project. These documents may include some or all of the following: Loan

Agreement, Promissory Note, Deed of Trust and Security Agreement, Regulatory Agreement, Intercreditor Agreement, Subordination Agreement, Loan Riders and Estoppels. County legal documents will be brought to the Board for approval for each development project at a later date.

# **CONSEQUENCE OF NEGATIVE ACTION:**

If the Board does not approve the Affordable Housing Finance Committee funding recommendations, the project sponsors seeking HOME Investment Partnerships Act funds will not be able to submit applications for nine-percent low income housing tax credits on March 1, 2017.

# **CHILDREN'S IMPACT STATEMENT:**

Seven of the projects will provide affordable housing for families. This supports Goal 3: Families are Economically Self Sufficient.

# **ATTACHMENTS**

FY 2017-18 Housing Table

# FY 2017/18 Affordable Housing Program AHFC Recommendations Community Development Block Grant and HOME Investment Partnerships Act

				Funds Requested			Α	HFC Recommer	ndation	
Project ID#	Sponsor	Project Name/Location	Description/Purpose	CDBG	HOME	HOPWA	Total Cost	CDBG	HOME	Total County funds recommended
Objective AF	H-1 - New Construction of	Affordable Rental Housing.								
HSG-17-01	Community Housing Development Corporation, NR 1535A Fred Jackson Way Richmond, CA 94801	Heritage Point 1500 Fred Jackson Way North Richmond	New construction of 42 rental units/mixed-use affordable to and occupied by very-low income families. Project received previous allocation of \$1,700,000 in CDBG funds.	\$1,273,033			\$23,243,608	\$1,200,000		\$1,200,000
HSG-17-02	Resources for Community Development 2220 Oxford Street Berkeley, CA 94596	St. Paul's Commons 1860 Trinity Avenue, Walnut Creek	New construction of 45 rental units/mixed-use affordable to and occupied by very-low income families. Previous award of \$800,000 in CDBG funds for tenant improvements for Trinity Center	\$625,000	\$2,000,000	\$75,000	\$19,569,875	\$ 200,000	\$800,000	\$1,000,000
HSG-17-03	Choice in Aging and Satellite Affordable Housing Associates	Aging in Place Campus 490 Golf Club Road Pleasant Hill	New construction of 82 units affordable to and occupied by verylow income seniors.		\$1,650,000		\$22,000,000	\$ 100,000		\$100,000
Objective AF	<b>H-3 -</b> Maintain and preserv	ve affordable housing.								
HSG-17-04	Richmond Neighborhood Housing Services 2320 Cutting Boulevard Richmond, CA 94804	Richmond Rental Rehabilitation Scattered Sites, Richmond	Rehabilitation of 3 single-family rental homes affordable to and occupied by low-income families.	\$283,885			\$315,428	\$280,000		\$280,000
HSG-17-05	Resources for Community Development 2220 Oxford Street Berkeley, CA 94596	Pinecrest/Terrace Glen 1945/1949 Cavallo Road 104-106 West 20th Street 35-107 West 20th Street Antioch	Rehabilitation of two existing rental development projects with 56 units affordable to and occupied by verylow income families.		\$800,000		\$16,970,973			ME funds if (1) St eceive tax credit if the County

# FY 2017/18 Affordable Housing Program AHFC Recommendations Community Development Block Grant and HOME Investment Partnerships Act

				Funds	s Requested			Α	HFC Recommen	dation
Project ID#	Sponsor	Project Name/Location	Description/Purpose	CDBG	HOME	HOPWA	Total Cost	CDBG	НОМЕ	Total County funds recommended
HSG-17-06	Community Housing Development Corporation, NR 1535A Fred Jackson Way Richmond, CA 94801	Chesley Mutual Housing 802 Chesley Avenue Richmond	Rehabilitation of 30 existing units affordable to and occupied by verylow income families.	\$464,812			\$516,458	\$350,000		\$350,000
HSG-17-07	CCC DCD 30 Muir Road Martinez, CA 94553	Neighborhood Preservation Program Urban County	Provision of 8 low interest loans & 2 single-family grants for rehab of housing owned and occupied by very-low and low-income HHs.  Total budget includes \$609,000 in anticipated repaid loans to the program.	\$150,000			\$759,000		ion. Program will ts through the Cl	
HSG-17-08	Habitat for Humanity East Bay Silicon Valley 2619 Broadway Oakland CA 94612	Homeowner Rehab Program Urban County	15 mobile home grants for rehab of housing owned and occupied by verylow and low-income households.	\$500,000			\$550,000	\$250,000		\$250,000
HSG-17-09	Community Energy Services Corporation 1013 Pardee Street Berkeley, CA 94710	Home Repair Program Urban County	To provide free safety home repairs to 30 low income residents.	\$175,000			\$192,500	\$75,000		\$75,000
Objective Al-	<b>1-4 -</b> New Supportive Hou	sing - Special Needs								
HSG-17-10	Domus Development LLC 9 Cushing, Suite 200 Irvine, CA 92618	Veterans Square 901 Los Medanos Street, Pittsburg	New construction of 30 rental units/mixed-use affordable to and occupied by very-low income veterans.  Previous award of \$487,000 in HOME.		\$1,513,000		\$14,036,641		\$1,440,000	\$1,440,000
Objective CD	-4 - Fair Housing								·	
	See Public Service table	Fair Housing (b)	Fair housing counseling and legal services	\$40,000				\$40,000		\$40,000

# FY 2017/18 Affordable Housing Program AHFC Recommendations Community Development Block Grant and HOME Investment Partnerships Act

				Funds	Funds Requested			AHFC Recommendation		
Project ID#	Sponsor	Project Name/Location	Description/Purpose	CDBG	HOME	HOPWA	Total Cost	CDBG	HOME	Total County funds recommended
APPLICATION TOTAL FY 2017/18			\$3,511,730	\$5,963,000	\$75,000	\$98,154,483	\$2,495,000	\$2,240,000		
FUNDS AVA	ILABLE FY 2017/18 FUN	NDING CYCLE								
FY 2017/18 Grant Allocation for projects - ESTIMATED				\$1,800,000	\$1,900,000					
FY 2016/17 Recaptured and repaid funds available			\$1,231,696	\$606,601						
			TOTAL FUNDS AVAILABLE	\$3,031,696	\$2,506,601					
Proposed U	ses of Funds									
FY 2017/18 I	Projects			\$2,495,000	\$2,240,000					
FY 2017/18 Program Administration			\$65,000	\$190,000						
Program Del	ivery Reserve (c)			\$30,000	\$50,000					
FY 2017/18 CDBG and HOME unallocated funds				\$441,696	\$26,601					
			TOTAL FUNDS ALLOCATED	\$3,031,696	\$2,506,601					
			OME funds must be used for projects HDO). This requirement can no longer							
(b) Staff reco	mmendation for fair hous	ing service provider goes to th	e Family and Human Services Commi	ttee						
	gal and Davis Bacon com program income.	ppliance costs to be added to p	roject allocations, total project allocation	on may be increas	sed to \$30,00	0 each for Cl	DBG and			

HOME with program income.

SLAL OF STATE OF STAT

Contra Costa County

To: Board of Supervisors

From: David Twa, County Administrator

Date: February 14, 2017

Subject: Moraga Elementary School District General Obligation Bonds, Election of 2016, Series A

# **RECOMMENDATION(S):**

ADOPT Resolution No. 2017/63 authorizing the issuance and sale of "Moraga Elementary School District General Obligation Bonds, Election of 2016, Series A" in an amount not to exceed \$12,000,000 by the Moraga Elementary School District on its own behalf pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7(c) of the Government Code.

# **FISCAL IMPACT:**

There is no fiscal impact to the County.

# **BACKGROUND:**

The Moraga Elementary School District intends to issue General Obligation bonds to fund capital improvements throughout the District. The District has requested that the Board of Supervisors adopt a resolution authorizing the direct issuance and sale of bonds by the District on its own behalf as authorized by Section 15140(b) of the Education Code.

The District adopted is scheduled to adopt resolution on February 14, 2017 authorizing the sale and issuance of the bonds. In recognition of the Board of Supervisors not convening again until March 7, 2017, staff is recommending that the Board take action

<b>✓</b> APPROVE		OTHER					
<b>▼</b> RECOMMENDATION OF C	NTY ADMINISTRATOR	RECOMMENDATION OF BOARD COMMITTEE					
Action of Board On: <b>02/14/2017</b>	✓ APPROVED AS REC	COMMENDED OTHER					
Clerks Notes:							
VOTE OF SUPERVISORS	Board of Supervisors on the da						
Contact: Timothy Ewell, 925-335-1036	ATTESTED: February David J. Twa, County A	dministrator and Clerk of the Board of Supervisors					
	By: , Deputy						
cc:							

# BACKGROUND: (CONT'D)

in anticipation of the District approving the sale of the bonds later this evening. This issuance was approved by the voters as part of a bond measure (Measure V) listed on the November 8, 2016 ballot.

# **CONSEQUENCE OF NEGATIVE ACTION:**

Without the Contra Costa County Board of Supervisors authorization, the School District will not be able to issue the bonds.

# **CHILDREN'S IMPACT STATEMENT:**

The recommendation supports the following Children's Report Card outcome: Communities that are Safe and Provide a High Quality of Life for Children and Families.

# **ATTACHMENTS**

Resolution No. 2016/691

**District Resolution** 

# THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

and for Special Districts, Agencies and Authorities Governed by the Board

Adopted this Resolution on 12/20/2016 by the following vote:

AYE:

4 Candace Andersen Mary N. Piepho Karen Mitchoff

NO:

ABSENT: 1 Federal D. Glover

ABSTAIN:

**RECUSE:** 



#### **Resolution No. 2016/691**

# RESOLUTION OF THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY CONSENTING TO AND AUTHORIZING THE ANTIOCH UNIFIED SCHOOL DISTRICT TO ISSUE ITS GENERAL OBLIGATION BONDS (SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1), ELECTION OF 2008, SERIES D ON ITS OWN BEHALF

**RESOLVED** by the Board of Supervisors (the "Board") of Contra Costa County (the "County"), State of California:

**WHEREAS**, sections 53506 et seq. of the California Government Code, including section 53508.7 thereof, provide that California public school district may issue and sell bonds on its own behalf at private sale pursuant to sections 15140 or 15146 of the California Education Code the Education Code:

**WHEREAS**, section 15140(b) of the California Education Code provides that the board of supervisors of county may authorize California public school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county;

WHEREAS, the Board of Education of the Antioch Unified School District (the "District"), a public school district under the jurisdiction of the County, has heretofore adopted and filed with the Clerk of this Board, a resolution (the "Bond Resolution") providing for the issuance and sale of its Antioch Unified School District (School Facilities Improvement District No. 1) (Contra Costa County, California) General Obligation Bonds, Election of 2008, Series D (the "Series D Bonds"), through negotiated sale pursuant to sections 53506 et seq. of the California Government Code; and

**WHEREAS**, it has been requested on behalf of the District that this Board consent to such issuance of the Series D Bonds and authorize the District to issue and sell the Series D Bonds on its own behalf at negotiated sale pursuant to sections 15140 and 15146 of the California Education Code as permitted by section 53508.7 of the California Government Code and the terms set forth in the Bond Resolution:

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of Contra Costa, State of California, as follows:

Section 1. Recitals. All of the foregoing recitals are true and correct.

Section 2. Consent and Authorization of Negotiated Sale. This Board hereby consents to and authorizes the issuance and negotiated sale by the District on its own behalf of the Series D Bonds pursuant to sections 15140 and 15146 of the California Education Code, as permitted by section 53508.7 of the California Government Code and the terms and conditions set forth in the Bond Resolution. This consent and authorization set forth herein shall only apply to the Series D Bonds.

Section 3. Source of Payment. The County acknowledges receipt of the Bond Resolution as adopted and the requests made by the District to levy collect and distribute ad valorem tax revenues pursuant to section 15250 et seq. of the California Education Code to pay for principal of and interest on the Series D Bonds when and if sold. Correspondingly, and subject to the issuance and sale of the Series D Bonds and transmittal of information concerning the debt service requirements thereof to the appropriate County officers, there shall be levied by the County on all of the taxable property in the District in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Series D Bonds are outstanding commencing with fiscal year

2017-18 in an amount sufficient to pay the principal of and interest on the Series D Bonds when due which tax revenues when collected will be placed in the Debt Service Funds established pursuant to the Bond Resolution and have been irrevocably pledged for the payment of the principal of and interest on the Series D Bonds, when and as the same fall due. The monies in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the Series D Bonds, as the same become due and payable, shall be transferred by the County to the Paying Agent for such bonds to pay the principal of and interest on the Series D Bonds as set out in California law and in the Bond Resolution.

Section 4. <u>Approval of Actions</u>. Officers of the Board and County officials and staff are authorized to do any and all things and are hereby authorized and directed jointly and severally to execute and deliver any and all documents which they may deem necessary or advisable in order to assist the District with the issuance of the Series D Bonds and otherwise carry out give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers officials and staff are hereby ratified confirmed and approved.

Section 5. Indemnification of County. The County acknowledges and relies upon the fact that the District has represented that it shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of this resolution, or related to the proceedings for sale, award, issuance and delivery of the Series D Bonds in accordance herewith and with the District's resolution and that the District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 6. Limited Responsibility for Official Statement. Neither the Board nor any officer of the County has prepared or reviewed the official statement of the District describing the Series D Bonds (the "Official Statement") and this Board and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings and valuation procedures, as they may relate to funds of the District held by the County Treasurer-Tax Collector, the County Treasurer-Tax Collector is hereby authorized and directed to prepare and review such information for inclusion in the Official Statement and in a preliminary official statement, and to certify in writing prior to or upon the issuance of the Series D Bonds that the information contained in such section does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein in the light of the circumstances under which they are made not misleading.

Section 7. <u>Limited Liability</u>. Notwithstanding anything to the contrary contained herein, in the Series D Bonds or in any other document mentioned herein, neither the County nor the Board shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Series D Bonds shall be payable solely from the moneys of the District available therefore as set forth in the Bond Resolution and herein.

Section 8. Effective Date. This Resolution shall take effect immediately upon its passage.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

Contact: Timothy Ewell, 925-335-1036 ATTESTED: December 20, 2016

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

cc:

## ANTIOCH UNIFIED SCHOOL DISTRICT

## **RESOLUTION NO. 2016-17-19**

RESOLUTION OF THE BOARD OF EDUCATION OF THE ANTIOCH UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (SFID NO. 1), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,752,944 AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, an election was duly and regularly held in School Facilities Improvement District No. 1 (the "Improvement District") of the Antioch Unified School District (the "District") on June 3, 2008, in accordance with Section 1(b)(3) of Article XIIIA of the California Constitution, for the purpose of submitting Measure C to the qualified electors of the Improvement District, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$61,600,000 (the "Measure C Bonds"), and more than 55% of the votes cast were in favor of the issuance of the Bonds; and

# WHEREAS, the abbreviated form of Measure C is:

"To address critical renovation and modernization needs as schools that have all served Antioch for more than forty years, replace aging roofs, aging plumbing, old heating and air conditioning units with energy efficient systems, upgrade restrooms, electrical systems, renovate and expand libraries, and make schools accessible to all students, shall the School Facilities Improvement District No. 1 of the Antioch Unified School District issue \$61,600,000 in bonds at legal interest rates with funds monitored by an Independent Citizens' Oversight Committee and no funds spent on administrators?"

WHEREAS, the District has previously issued four series of Measure C Bonds, being Series A, Series B, Series C-1 and Series C-2, in the combined aggregate principal amount of \$40,847,056, leaving \$20,752,944 of authorized but unissued Measure C Bonds; and

WHEREAS, the Board of Education of the District (the "Board") has full authority to provide for the issuance and sale of any series of Measure C Bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing at Section 53506 (the "Bond Law"); and

**WHEREAS**, the District's First Interim Report for fiscal year 2016-17 is expected to be certified positive; and

**WHEREAS**, pursuant to Senate Bill 1029 ("SB 1029") approved September 12, 2016 and effective as of January 1, 2017, the Board will at its January 25, 2017 meeting consider approval of a local debt policy meeting the requirements of SB 1029; and

WHEREAS, as such, the District wishes at this time to initiate proceedings for the issuance of a fifth and final series of Measure C Bonds under the Bond Law in the aggregate principal amount of not to exceed \$20,752,944 (the "Series D Bonds") as

provided in this Resolution for the purpose of providing additional financing for projects which are authorized under the Measure C; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Education of the Antioch Unified School District as follows:

## ARTICLE I

# **DEFINITIONS; AUTHORITY**

**SECTION 1.01. Definitions.** The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

<u>"Authorized Investments"</u> means the County Investment Pool, the Local Agency Investment Fund, any investments authorized pursuant to Sections 53601 and 53635 of the California Government Code, provided that said investments are part of the County treasury, in accordance with Education Code Section 15146(g). The Treasurer Tax-Collector shall assume no responsibility in the reporting, reconciling and monitoring in the investment of proceeds related to the Series D Bonds.

"Board" means the Board of Education of the District.

<u>"Bond Counsel"</u> means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

<u>"Bond Law"</u> means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, as in effect on the date of adoption hereof and as amended hereafter.

<u>"Bond Purchase Agreement"</u> means the Bond Purchase Agreement between the District and the Underwriter, under which the Underwriter agrees to purchase the Series D Bonds and pay the purchase price therefor.

<u>"Building Fund"</u> means the fund established and held by the County Treasurer under Section 3.03.

<u>"Closing Date"</u> means the date upon which there is a delivery of the Series D Bonds in exchange for the amount representing the purchase price of the Series D Bonds by the Underwriter.

<u>"Continuing Disclosure Certificate"</u> means the Continuing Disclosure Certificate which is executed and delivered by a District Representative on the Closing Date.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Series D Bonds, including but not limited to the costs of preparation and

reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees and any other cost, charge or fee in connection with the original issuance and sale of the Series D Bonds.

<u>"County"</u> means the County of Contra Costa, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

<u>"County Auditor-Controller"</u> means the Contra Costa County Auditor-Controller, or any authorized deputy thereof.

<u>"County Treasurer"</u> means the Contra Costa County Treasurer-Tax Collector, or any authorized deputy thereof.

<u>"Debt Service Fund"</u> means the account established and held by the County Treasurer under Section 4.02.

<u>"Depository"</u> means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

<u>"Depository System Participant"</u> means any participant in the Depository's bookentry system.

<u>"District"</u> means the Antioch Unified School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

<u>"District Representative"</u> means the President of the Board, the Superintendent, the Chief Business Official, the Associate Superintendent-Business and Operations, any person acting in such capacity, or any of such officer's written designees, or any other person authorized by resolution of the Board of the District to act on behalf of the District with respect to this Resolution and the Series D Bonds.

<u>"DTC"</u> means The Depository Trust Company, New York, New York, and its successors and assigns.

<u>"Education Code"</u> means the Education Code of the State of California, as in effect on the Closing Date or as thereafter amended from time to time.

<u>"Federal Securities"</u> means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

<u>"Improvement District"</u> means School Facilities Improvement District No. 1 duly formed by the District pursuant to Education Code sections 15320 et seq.

<u>"Interest Payment Dates"</u> means February 1 and August 1 in each year, commencing on the date set forth in the Bond Purchase Agreement, provided, however, that such dates are subject to modification as provided in the Bond Purchase Agreement.

"Measure C" means the bond measure submitted to the qualified electors of the District on June 3, 2008, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$61,600,000

"Office" means the office or offices of the Paying Agent for the payment of the Series D Bonds and the administration of its duties hereunder. The Paying Agent may designate and re-designate the Office from time to time by written notice filed with the County and the District.

"Outstanding," when used as of any particular time with reference to Series D Bonds, means all Series D Bonds except: (a) Series D Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Series D Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Series D Bonds in lieu of or in substitution for which other Series D Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

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

<u>"Paying Agent"</u> means the bank, trust company, national banking association or other financial institution appointed as paying agent for the Series D Bonds in the manner provided in Article VI of this Resolution.

<u>"Record Date"</u> means the 15<sup>th</sup> day of the month preceding an Interest Payment Date, whether or not such day is a business day.

<u>"Registration Books"</u> means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Series D Bonds under Section 2.08.

<u>"Resolution"</u> means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

<u>"Securities Depositories"</u> means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

<u>"Series D Bonds"</u> means the not to exceed \$20,752,944 aggregate principal amount of Antioch Unified School District (Contra Costa County, California) General Obligation Bonds (School Facilities Improvement District No. 1), Election of 2008, Series D issued and at any time Outstanding under this Resolution.

<u>"Tax Code"</u> means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Underwriter" means Raymond James & Associates, Inc., the original underwriter of the Series D Bonds upon the negotiated sale thereof, as designated pursuant to Section 3.01.

<u>"Written Certificate of the District"</u> means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District and listed on a Written Request of the District for that purpose.

#### **SECTION 1.02. Interpretation.**

- (a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.
- (b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

**SECTION 1.03.** Authority for this Resolution; Findings. This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series D Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series D Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

#### ARTICLE II

#### THE SERIES D BONDS

SECTION 2.01. Authorization. The Board hereby authorizes the issuance of the Series D Bonds in the aggregate principal amount not to exceed \$20,752,944 under and subject to the terms of Article XIIIA, Section 1 paragraph (b) of the California Constitution, the Bond Law and this Resolution, for the purpose of raising money for the acquisition or improvement of educational facilities in accordance with Measure C. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Series D Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal thereof and interest and premium, if any, on all Series D Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Series D Bonds shall be designated the "Antioch Unified School District (Contra Costa County, California) General Obligation Bonds (School Facilities Improvement District No. 1), Election of 2008, Series D", together with any additional designations as may be necessary to sufficiently identify the Series D Bonds, and may be issued in separate series from time to time provided that the aggregate principal amount does not exceed the maximum principal amount authorized herein.

#### SECTION 2.02. Terms of Series D Bonds.

- (a) <u>Form; Numbering.</u> The Series D Bonds shall be issued as fully registered current interest bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. The Series D Bonds shall be lettered and numbered as prescribed by the Paying Agent.
- (b) <u>Date of Series D Bonds</u>. The Series D Bonds shall be dated as of the Closing Date.
- (c) <u>CUSIP Identification Numbers.</u> "CUSIP" identification numbers shall be imprinted on the Series D Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series D Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series D Bonds. In addition, failure on the part of the District to use CUSIP numbers in any notice to Owners of the Series D Bonds will not constitute an event of default or any violation of the District's contract with the Owners and will not impair the effectiveness of any such notice.
- (d) <u>Maturities; Basis of Interest Calculation</u>. The Series D Bonds shall mature on August 1 in the years and in the amounts, and shall bear interest at the rates, as determined upon the sale thereof and as set forth in the Bond Purchase Agreement. The final maturity of the Series D Bonds shall be not later than thirty years following the Closing Date. Interest on the Series D Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Each Series D Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest

Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided*, *however*, that if at the time of authentication of a Series D Bond, interest is in default thereon, such Series D Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

- (e) <u>Payment.</u> Interest on the Series D Bonds (including the final interest payment upon maturity or redemption) is payable by check of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series D Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series D Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of the Series D Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.
- (f) <u>Provisions of Bond Purchase Agreement to Control.</u> Notwithstanding the foregoing provisions of this Section and the following provisions of Section 2.03, any of the terms of the Series D Bonds may be established or modified under the Bond Purchase Agreement. In the event of a conflict or inconsistency between this Resolution and the Bond Purchase Agreement relating to the terms of the Series D Bonds, the provisions of the Bond Purchase Agreement shall be controlling.

#### SECTION 2.03. Redemption of Series D Bonds.

- (a) Optional Redemption Dates and Prices. The Series D Bonds may be subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on the dates and at the respective redemption prices as shall be designated in the Bond Purchase Agreement.
- (b) <u>Mandatory Sinking Fund Redemption</u>. If the Bond Purchase Agreement specifies that any one or more maturities of the Series D Bonds are term bonds which are subject to mandatory sinking fund redemption, each such maturity of Series D Bonds shall be subject to such mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the Bond Purchase Agreement, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.
- (c) <u>Selection of Series D Bonds for Redemption</u>. Whenever less than all of the Outstanding Series D Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series D Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series D Bond will be deemed to consist of individual bonds of \$5,000 principal amount. The Series D Bonds may all be separately redeemed.
- (d) <u>Redemption Procedure.</u> The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any

Series D Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Series D Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to the Municipal Securities Rulemaking Board and each of the Securities Depositories at least two days prior to such mailing to the Series D Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series D Bonds are to be called for redemption, shall designate the serial numbers of the Series D Bonds to be redeemed by giving the individual number of each Series D Bond or by stating that all Series D Bonds between two stated numbers, both inclusive, or by stating that all of the Series D Bonds of one or more maturities have been called for redemption, and shall require that such Series D Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series D Bonds will not accrue from and after the redemption date.

Upon surrender of Series D Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Series D Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series D Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series D Bonds so called for redemption have been duly provided, the Series D Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Series D Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Series D Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series D Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Series D Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under subsection (d) of this Section.

**SECTION 2.04. Form of Series D Bonds.** The Series D Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon will be substantially in the form, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and the Bond Purchase Agreement, as are set forth in Appendix A attached hereto.

**SECTION 2.05. Execution of Series D Bonds.** The Series D Bonds shall be signed by the manual or facsimile signature of the President of the Board and shall be attested by the manual or facsimile signature of the Clerk or Secretary of the Board. Only those Series D Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Series D Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

**SECTION 2.06.** Transfer of Series D Bonds. Subject to Section 2.10, any Series D Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series D Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Series D Bond issued upon any transfer.

Whenever any Series D Bond or Bonds is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Series D Bond or Bonds, for like aggregate principal amount. No transfers of Series D Bonds shall be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series D Bonds for redemption or (b) with respect to a Series D Bond which has been selected for redemption.

**SECTION 2.07. Exchange of Series D Bonds.** Series D Bonds may be exchanged at the principal Office of the Paying Agent for a like aggregate principal amount of Series D Bonds of authorized denominations and of the same maturity, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. The District may charge a reasonable sum for each new Series D Bond issued upon any exchange (except in the cases of any exchange of temporary Series D Bonds for definitive Series D Bonds). No exchange of Series D Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series D Bonds for redemption or (b) with respect to a Series D Bond after it has been selected for redemption.

**SECTION 2.08.** Registration Books. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Series D Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Series D Bonds as herein before provided.

**SECTION 2.09. Book-Entry System.** Except as provided below, DTC shall be the Owner of all of the Series D Bonds, and the Series D Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Series D Bonds shall be initially executed and delivered in the form of a single fully registered Series D Bond for each maturity date of the Series D Bonds in the full aggregate principal amount of the Series D Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series D Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District

shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Series D Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Series D Bonds. The District shall cause to be paid all principal and interest with respect to the Series D Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series D Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series D Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series D Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Series D Bonds. In such event, the District shall issue, transfer and exchange Series D Bonds as requested by DTC and any other owners in appropriate amounts.

DTC may determine to discontinue providing its services with respect to the Series D Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Series D Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series D Bonds evidencing the Series D Bonds to any Depository System Participant having Series D Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series D Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series D Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Series D Bond and all notices with respect to such Series D Bond shall be made and given, respectively, to DTC as provided in the representation letter delivered on the date of issuance of the Series D Bonds.

Section 2.10. Transfer Under Book-Entry System: Discontinuation of Book-Entry System. Registered ownership of the Series D Bonds, or any portion thereof, may not be transferred except as follows:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided that any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

- (ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or
- (iii) To any person upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

#### ARTICLE III

#### SALE OF SERIES D BONDS; APPLICATION OF PROCEEDS

#### SECTION 3.01. Sale of Series D Bonds; Approval of Sale Documents.

- (a) <u>Negotiated Sale Authorized</u>. Pursuant to Section 53508.7 of the Bond Law, the Board hereby expressly authorizes the negotiated sale of the Series D Bonds to Raymond James & Associates, Inc., as Underwriter. The Series D Bonds shall be sold pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided that the Bond Purchase Agreement shall contain the following terms:
  - (i) the Series D Bonds shall bear a rate of interest of not to exceed 8 percent per annum;
  - (ii) the Series D Bonds shall have a final maturity date of 30 years or less from the date of issuance;
  - (iii) the Series D Bonds shall have a ratio of total debt service to principal of not to exceed four to one;
  - (iv) the Underwriter's discount, net of Underwriter's reimbursable expenses, shall not exceed 0.60% of the aggregate principal amount of the Series D Bonds.

The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the District.

(b) Reasons for Negotiated Sale. In accordance with Section 53508.7 of the Bond Law, the Board has determined to sell the Series D Bonds at negotiated sale for the following reasons: (a) a negotiated sale provides more flexibility to choose the time

and date of the sale which is often advantageous in the municipal bond market; (b) the involvement of the Underwriter in preparing documents, rating agency presentations and structuring bonds generally enhances the quality and results of the bond offering; (c) a negotiated sale will permit the time schedule for the issuance and sale of the Series D Bonds to be expedited, if necessary; (d) a negotiated sale provides the District access to the underwriter's trading desk for providing estimates of the cost of various bond structures (yields, discounts, premiums and maturities) for the purpose of evaluating alternative potential bond structures with the goal of producing the best match between District objectives and investor acceptance and demand; and (e) a negotiated sale provides time for underwriters to educate potential investors about the District and the Series D Bonds with the goal of maximizing investor orders/reducing interest cost on the day of bond pricing.

- (c) Official Statement. The Board hereby approves, and hereby deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Series D Bonds in substantially the form on file with the Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate stating the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. A District Representative is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by a District Representative shall be conclusive evidence of his or her approval of any such changes and additions. The Board hereby authorizes the distribution of the Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by a District Representative.
- (d) <u>Bond Insurance</u>. If the District is advised by its financial advisor that it is in the best financial interests of the District to obtain a municipal bond insurance policy to insure the payment of debt service on the Series D Bonds, a District Representative is authorized to apply for said insurance and to take all actions and execute all documents and certifications relating thereto.
- (e) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series D Bonds, including but not limited to the execution and delivery of a document with respect to the engagement of the Paying Agent appointed hereby, and the payment of Costs of Issuance. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

**SECTION 3.02.** Application of Proceeds of Sale of Series D Bonds. The proceeds of the Series D Bonds paid to the County Treasurer on the Closing Date shall be applied by the County Treasurer as follows:

(a) The portion of the proceeds representing the premium (if any) received by the County Treasurer on the sale of the Series D Bonds

- will be deposited in the Debt Service Fund established pursuant to Section 4.02.
- (b) All remaining proceeds received by the County Treasurer from the sale of the Series D Bonds will be deposited in the Building Fund established pursuant to Section 3.03.

At the option of the District, a portion of the proceeds to be used to pay Costs of Issuance may be deposited with a fiscal agent selected by the District, as provided in Section 15146(g) of the Education Code, as directed by the District, in order the facilitate the payment of Costs of Issuance. In addition, the Bond Purchase Agreement may provide that the Underwriter shall apply its funds to the payment of Costs of Issuance.

SECTION 3.03. Building Fund. The County Auditor-Controller shall create and maintain a fund designated as the "Antioch Unified School District, Election of 2008, Series D Building Fund," into which the proceeds from the sale of the Series D Bonds shall be deposited, to the extent required under Section 3.02(b). In order to ensure that the District is able to meet its federal tax law covenants with respect to separate accounting of funds holding proceeds of the Series D Bonds, the County Auditor-Controller is requested to maintain separate accounting for the proceeds of the Series D Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the Series D Bonds shall be expended by the District solely for the financing of projects for which the Series D Bond proceeds are authorized to be expended under Measure C (which includes related Costs of Issuance). All interest and other gain arising from the investment of proceeds of the Series D Bonds shall be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County Auditor-Controller, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Series D Bonds.

If excess amounts remain on deposit in the Building Fund after payment in full of the Series D Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Series D Bonds have been authorized or otherwise in accordance with the Bond Law.

SECTION 3.04. Professionals; Estimated Financing Costs. The Board has previously engaged the services of PFM Financial Advisors LLC (previously Public Financial Management) to act as the District's financial advisor, and has engaged the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel and disclosure counsel to the District. Such engagements are affirmed in connection with the issuance of the Series D Bonds. A District Representative is authorized to execute agreements relating to said engagements pursuant to substantially the same terms as the previous engagement. The estimated Costs of Issuance of the Series D Bonds is approximately \$132,500, which includes legal and financial advisory expenses, rating fees, paying agency fees, and other issuance related costs, but which does not include Underwriter's fees and expenses and the bond insurance premium, if bond insurance is obtained. In accordance with Government Code Section 53509.5, actual cost information relating to the sale of the Series D Bonds shall be presented to the Board of Trustees at its next public meeting following the sale of the Series D Bonds, and an

itemized summary of the costs of the Series D Bonds sale shall be submitted to the California Debt and Investment Commission.

**SECTION 3.05.** Costs of Issuance Agreement. In order to facilitate the payment of all or some Costs of Issuance, the Board hereby authorizes a District Representative to enter into or acknowledge an agreement, designating a bank identified therein, to serve as a custodian for receipt of a portion of the proceeds of the Series D Bonds to pay all or a portion of Costs of Issuance. Such funds may be paid directly by the Underwriter to the custodian identified therein, and may represent premium on the Series D Bonds which the Underwriter may, pursuant to the Bond Purchase Agreement, contract to provide for payment of Costs of Issuance.

#### **ARTICLE IV**

#### SECURITY FOR THE SERIES D BONDS; DEBT SERVICE FUND

**SECTION 4.01. Security for the Series D Bonds.** The Series D Bonds are general obligations of the District. The Board has the power to direct the County to levy ad valorem taxes upon all property within the Improvement District that is subject to taxation by the District, without limitation of rate or amount, for the payment of the Series D Bonds and the interest and redemption premium (if any) thereon. The District hereby directs the County to levy on all the taxable property in the Improvement District, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Series D Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Series D Bonds when due, including the principal of any Series D Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on the Series D Bonds does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable for the Series D Bonds. In no event are the principal of and interest and redemption premium (if any) on Series D Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the Improvement District. The Series D Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code.

As required by Education Code Section 15140(c), the District shall transmit a copy of this resolution, together with the debt service schedule for the Series D Bonds, to the office of the County Auditor-Controller and County Treasurer in sufficient time to permit the County to establish tax rates for the Series D Bonds.

**SECTION 4.02. Establishment of Debt Service Fund.** The District hereby directs the County Auditor-Controller to establish, hold and maintain a fund to be known as the "Antioch Unified School District (School Facilities Improvement District No. 1)

Election of 2008, Series D General Obligation Bonds Debt Service Fund", which the County Auditor-Controller shall maintain as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Series D Bonds shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy.

The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of the Series D Bonds and the amounts in the Debt Service Fund to the payment of the principal of and interest on the Series D Bonds when and as the same become due, including the principal of any term Series D Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County Auditor-Controller to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Series D Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 4.03. Disbursements From Debt Service Fund. The County Auditor-Controller shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. The County Auditor-Controller shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Series D Bonds when due and payable, to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Series D Bonds. DTC will thereupon make payments of principal and interest on the Series D Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series D Bonds. If, after payment in full of the Series D Bonds, and all other general obligation bonded indebtedness of the District, any amounts remain on deposit in the Debt Service Fund, the County shall transfer such amounts to the General Fund of the District as provided in Section 15234 of the Education Code.

**SECTION 4.04. Investments.** All moneys held in any of the funds or accounts established with the County hereunder may be invested in Authorized Investments in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. The County has no responsibility in the reporting, reconciling and monitoring of the investment of the proceeds of the Series D Bonds.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Series D Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded

on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

#### **ARTICLE V**

#### OTHER COVENANTS OF THE DISTRICT

**SECTION 5.01. Punctual Payment.** The Board will direct the County to levy *ad valorem* taxes in the Improvement District, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Series D Bonds, in conformity with the terms of the Series D Bonds and of this Resolution. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law, including, in its sole discretion, to pay debt service on the Series D Bonds.

**SECTION 5.02.** Books and Accounts; Financial Statements. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Series D Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Series D Bonds then Outstanding, or their representatives authorized in writing.

**SECTION 5.03.** Protection of Security and Rights of Series D Bond Owners. The District will preserve and protect the security of the Series D Bonds and the rights of the Series D Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Series D Bonds by the District, the Series D Bonds shall be incontestable by the District.

#### SECTION 5.04. Tax Covenants.

- (a) <u>Private Activity Bond Limitation</u>. The District shall assure that the proceeds of the Series D Bonds are not so used as to cause the Series D Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.
- (b) <u>Federal Guarantee Prohibition.</u> The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of

the Series D Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

- (c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Series D Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series D Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.
- (d) <u>Maintenance of Tax-Exemption</u>. The District shall take all actions necessary to assure the exclusion of interest on the Series D Bonds from the gross income of the Owners of the Series D Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.
- (e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Series D Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the Series D Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Series D Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

**SECTION 5.05. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Series D Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series D Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**SECTION 5.06. Further Assurances.** The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Series D Bonds of the rights and benefits provided in this Resolution.

#### **ARTICLE VI**

#### THE PAYING AGENT

**SECTION 6.01.** Appointment of Paying Agent. A District Representative is authorized to identify and appoint a bank or trust company to act as the initial Paying Agent for the Series D Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Series D Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series D Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the District by executing and delivering to the District a certificate or agreement to that effect. A District Representative is authorized to enter into a paying agency agreement in connection with such appointment.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Series D Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

**SECTION 6.02. Paying Agent May Hold Series D Bonds.** The Paying Agent may become the owner of any of the Series D Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

**SECTION 6.03.** Liability of Agents. The recitals of facts, covenants and agreements herein and in the Series D Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Series D Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon

certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

**SECTION 6.04. Notice to Paying Agent.** The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. Compensation; Indemnification. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

#### **ARTICLE VII**

#### REMEDIES OF SERIES D BOND OWNERS

**SECTION 7.01.** Remedies of Series D Bond Owners. Any Series D Bond Owner has the right, for the equal benefit and protection of all Series D Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Series D Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series D Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Series D Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

**SECTION 7.02. Remedies Not Exclusive.** No remedy herein conferred upon the Owners of Series D Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Series D Bond Owners.

**SECTION 7.03. Non-Waiver.** Nothing in this Article VII or in any other provision of this Resolution or in the Series D Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series D Bonds to the respective Owners of the Series D Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series D Bonds.

A waiver of any default by any Series D Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series D Bonds 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 Series D Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series D Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Series D Bond Owners, the District and the

Series D Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

#### **ARTICLE VIII**

#### **AMENDMENT OF THIS RESOLUTION**

**SECTION 8.01. Amendments Effective Without Consent of the Owners.** The Board may amend this Resolution from time to time, without the consent of the Owners of the Series D Bonds, for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the Series D Bond Owners in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series D Bonds.

Section 8.02. Amendments Effective With Consent of the Owners. The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Series D Bonds Outstanding at the time such consent is given. Without the consent of all the Owners of such Series D Bonds, no such modification or amendment shall permit (a) a change in the terms of maturity of the principal of any Outstanding Series D Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of Series D Bonds the consent of the Owners of which is required to effect any such modification or amendment, (c) a change in any of the provisions in Section 7.01 or (d) a reduction in the amount of moneys pledged for the repayment of the Series D Bonds, and no right or obligation of any Paying Agent may be changed or modified without its written consent.

#### **ARTICLE IX**

#### **MISCELLANEOUS**

**SECTION 9.01.** Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent and the Owners of the Series D Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Series D Bonds.

#### SECTION 9.02. Defeasance of Series D Bonds.

- (a) <u>Discharge of Resolution</u>. Any or all of the Series D Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:
  - by paying or causing to be paid the principal or redemption price of and interest on such Series D Bonds, as and when the same become due and payable;
  - (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Series D Bonds; or
  - (iii) by delivering such Series D Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series D Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series D Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Series D Bonds not theretofore surrendered for such payment or redemption.

(b) <u>Discharge of Liability on Series D Bonds.</u> Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Series D Bond (whether upon or prior to its maturity or the redemption date of such Series D Bond), provided that, if such Series D Bond is to be redeemed prior to maturity, notice of such redemption has been

given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Series D Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series D Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

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

- (c) <u>Deposit of Money or Securities with Paying Agent.</u> Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Series D Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:
  - (i) lawful money of the United States of America in an amount equal to the principal amount of such Series D Bonds and all unpaid interest thereon to maturity, except that, in the case of Series D Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series D Bonds and all unpaid interest thereon to the redemption date; or
  - (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series D Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Series D Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.
- (d) Payment of Series D Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Series D Bonds and remaining unclaimed for two years after the principal of all of the Series D Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series D Bonds became due and payable, shall, upon request of the District,

be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series D Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series D Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Thereafter, the District shall remain liable to the Owners for payment of any amounts due on the Series D Bonds, which amounts shall be deemed to be paid by the District from moneys remitted to it by the Paying Agent under this subsection (d).

SECTION 9.03. Execution of Documents and Proof of Ownership by Series D Bond Owners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series D Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series D Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series D Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series D Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series D Bond shall bind all future Owners of such Series D Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Series D Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duly provided by law.

**SECTION 9.05.** Limited Duties of County; Indemnification. Notwithstanding anything stated to the contrary in this Resolution, the Series D Bonds are not a debt of the County, including its Board, officers, officials, agents and employees, and the County, including its Board, officers, officials, agents and employees, has no obligation to repay the Series D Bonds. Neither the County, nor its Board of Supervisors, nor any officer, official, agent or employee of the County, shall have any obligation or liability hereunder or in connection with the transactions contemplated hereby other than as specified in the Education Code. The Series D Bonds, including the interest thereon, are payable solely from taxes levied under Section 15250 of the Education Code. The

County has no responsibility and assumes no liability whatsoever arising from the expenditure of the proceeds of the Series D Bonds by the District.

The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution and in applicable provisions of the Bond Law and the Education Code, and even during the continuance of an event of default with respect to the Series D Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify and hold harmless, to the extent permitted by law, the County, including its officers, agents and employees (the "Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, which it may incur in the exercise and performance of its powers and duties hereunder, including legal and other expenses incurred in connection with investigating or defending any such claims or actions, which are not due to its negligence or bad faith.

**SECTION 9.06. Destruction of Canceled Series D Bonds.** Whenever in this Resolution provision is made for the surrender to the District of any Series D Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series D Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series D Bonds therein referred to.

SECTION 9.07. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series D Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief financial officer of the District in trust for the benefit of the Series D Bond Owners.

**SECTION 9.08. Effective Date of Resolution.** This Resolution shall take effect from and after the date of its passage and adoption.

\* \* \* \* \* \* \* \*

PASSED AND ADOPTED on December 14, 2016, by the following vote:

[Majority vote required]

AYES:

5

NOES:

B

ABSENT:

President of the Board of Education Antioch Unified School District, Contra Costa County, California

ATTEST:

Clerk of the Board of Education Antioch Unified School District, Contra Costa County, California

#### **APPENDIX A**

#### FORM OF SERIES D BOND

REGISTERED BOND NO	***\$	***

## **ANTIOCH UNIFIED SCHOOL DISTRICT**

# (Contra Costa County, California) GENERAL OBLIGATION BOND

(School Facilities Improvement District No. 1)
ELECTION OF 2008, SERIES D

INTEREST RATE PER ANNUM:	MATURITY DATE:	DATED DATE:	CUSIP:
REGISTERED OWN	ER:		
PRINCIPAL AMOUN	VT: ***		DOLLARS***

The Antioch Unified School District (the "District"), located in the County of Contra Costa (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the principal amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the principal amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year, commencing August 1, 2017 (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before July 15, 2017, in which event it shall bear interest from the Dated Date referred to above. Principal hereof is payable at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially being hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of the close of business on the 15<sup>th</sup> day of the month next preceding such Interest Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose.

Principal hereof is payable at the corporate trust office of the Paying Agent. Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's

address as it appears on the registration books maintained by the Paying Agent as of the close of business on the 15<sup>th</sup> day of the month next preceding such Interest Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of Bonds of the District designated as "Antioch Unified School District (Contra Costa County, California) General Obligation Bonds (School Facilities Improvement District No. 1), Election of 2008, Series D" (the "Bonds"), in an aggregate principal amount of \$\_\_\_\_\_\_\_, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and under a resolution of the Board of Education of the District adopted on December 14, 2016 (the "Resolution"), authorizing the issuance of the Bonds. The issuance of the Bonds has been authorized by the requisite 55% vote of the electors of School Facilities Improvement District No. 1 (the "Improvement District") cast at a special bond election held on June 3, 2008 within the boundaries of the Improvement District, upon the question of issuing bonds in the amount of \$61,600,000.

All capitalized terms herein and not otherwise defined have the meaning given them in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the Paying Agent) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than ad valorem taxes levied upon all taxable property in the Improvement District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20\_\_ and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[If applicable:] The Bonds maturing on August 1, 20\_\_ (the "Term Bonds") are also subject to mandatory sinking fund redemption on or before August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced on a pro rata basis in integral multiples of \$5,000, or on such other basis as designated pursuant to written notice filed by the District with the Paying Agent.

Sinking Fund Redemption Date (August 1) Principal Amount To Be <u>Redeemed</u>

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15<sup>th</sup> calendar

day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall be not be valid or obligatory for any purpose and is not entitled to any security or benefit under the Bond Resolution (described on the reverse hereof) until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Antioch Unified School District has caused this Bond to be executed by the facsimile signature of its President and attested by the facsimile signature of the Clerk of its Board of Education, all as of the date stated above.

#### **ANTIOCH UNIFIED SCHOOL DISTRICT**

	Ву	[EXHIBIT ONLY]	
		President	
Attest:			
[EXHIBIT ON	LY]		
Clark of the Bo			

#### **CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Resolution. **Authentication Date:** \_\_\_\_\_, as Paying Agent EXHIBIT ONLY **Authorized Signatory** FORM OF ASSIGNMENT For value received, the undersigned do(es) hereby sell, assign and transfer unto (Name, Address and Tax Identification or Social Security Number of Assignee) the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_, attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises. Dated: Signature Guaranteed: Note: Signature(s) must be guaranteed by a an Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face eligible guarantor institution. of the within Bond in every particular without alteration or enlargement or any change whatsoever.

To: Board of Supervisors

From: William Walker, M.D., Health Services Director

Date: February 14, 2017

Subject: Correct Board Order Item #C.96 with Regents of the University of California



Contra Costa County

#### **RECOMMENDATION(S):**

Approve clarification of Board action of December 8, 2015, (C.96) with Regents of the University of California on behalf of its University of California, SF Benioff Children's Hospital Oakland, an educational institution, to read Children's Hospital & Research Center at Oakland, dba UCSF Benioff Children's Hospital – Oakland, for residency students, with no change in the term from December 1, 2015 through December 31, 2020.

#### **FISCAL IMPACT:**

Non-financial agreement.

#### **BACKGROUND:**

cc: D Morgan, M Wilhelm

On December 8, 2015, the Board of Supervisors approved Contract #26-629-1 with Regents of the University of California on behalf of its University of California, SF Benioff Children's Hospital Oakland, for the provision of supervised field instruction at Contra Costa

<b>✓</b> APPROVE	OTHER
<b>▼</b> RECOMMENDATION OF C	TTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b>	APPROVED AS RECOMMENDED OTHER
Clerks Notes:	
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
	ATTESTED: February 14, 2017
Contact: ANNA ROTH, 925-370-5101	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

#### BACKGROUND: (CONT'D)

Regional Medical Center and Contra Costa Health Centers for medical residency students, from December 1, 2015 through December 31, 2020.

The purpose of this Board Order is to change the name of the Contractor to read Children's Hospital & Research Center at Oakland, dba UCSF Benioff Children's Hospital – Oakland instead of Regents of the University of California on behalf of its Univ. of CA, SF Benioff Children's Hospital Oakland, through December 31, 2020.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

If this correction is not approved, contractor's students will not receive supervised fieldwork instruction experience at Contra Costa Regional Medical Center and Contra Costa Health Centers.



Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: February 14, 2017

Subject: Revised Loan Agreements with Community Housing Development Corporation of North Richmond for the Heritage

Point Project in North Richmond.

#### **RECOMMENDATION(S):**

Related to the Heritage Point predevelopment loan and technical assistance loan, APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to

- 1. Execute a third amendment to the Amended and Restated Predevelopment Loan Agreement with the Community Housing Development Corporation of North Richmond, to increase the principal amount of the loan by \$226,500 to a new loan amount of \$877,200, and
- 2. Extend the term of the Amended and Restated Predevelopment Loan Agreement and Technical Assistance Agreement from December 31, 2016 to December 31, 2017.

#### **FISCAL IMPACT:**

No General Funds are being used to make this loan. The loan is being made with funds available to the County in its capacity as the Housing Successor Agency to the former Contra Costa County Redevelopment Agency.

<b>✓</b> APPROVE	OTHER
<b>▶</b> RECOMMENDATION OF CN	TTY ADMINISTRATOR COMMITTEE
Action of Board On: <b>02/14/2017</b> Clerks Notes:	APPROVED AS RECOMMENDED OTHER
VOTE OF SUPERVISORS	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.  ATTESTED: February 14, 2017
Contact: Maureen Toms (925) 674-7878	David J. Twa, County Administrator and Clerk of the Board of Supervisors
	By: , Deputy

cc:

#### **BACKGROUND**:

#### Predevelopment Loan Agreement

In 2011, the former Contra Costa County Redevelopment Agency (Agency) entered into a Predevelopment Loan Agreement with Community Housing Development Corporation of North Richmond (CHDC) for Phase II of the North Richmond Town Center Project. Phase II is on the eastern side of Fred Jackson Way, directly across the street from Phase I of the project. (Phase I was completed several years ago and includes the award winning Heritage Senior Apartments, North Richmond Health Center, the County Service Integration Team and streetscape improvements along Fred Jackson Way between Chesley Avenue and Grove Street.)

Phase II encompasses six parcels and is referred to as Heritage Point.

As a result of the dissolution of the Agency in February 2012, the County became the Housing Successor Agency to the Agency, the owner of the property on which Phase II may be constructed, and the lender under the Predevelopment Loan Agreement.

In December 2014, the parties entered into an Amended and Restated Predevelopment Loan Agreement (Amended and Restated Agreement). Under the Amended and Restated Agreement, the loan amount was increased from \$131,700 to \$283,700, using Housing Successor Agency funds in the form of housing bonds. On November 17, 2015, the Board of Supervisors (BOS) approved the first amendment to the Amended and Restated Predevelop loan agreement to a new loan amount of \$436,200. The second amendment to the Amended and Restated Agreement, approved July 19, 2016, provided an additional \$184,500, to a total loan of \$620,700, covered the cost to prepare and submit construction drawings. The purpose of the proposed third amendment to the Amended and Restated Agreement is to make an additional \$226,500 of funds available to the project, increasing the loan amount to \$620,700. These additional funds are also Housing Successor Agency funds in the form of housing bonds.

The additional funds being made available to CHDC will be used to offset the cost of responding to comments on construction drawings, finalizing long-term project financing and legal expenses associated with preparing legal documents necessary for closing of the project. To date, the funds made available under the Amended and Restated Agreement have been used to (i) fully define the project, (ii) determine project feasibility, (iii) identify infrastructure needs, (iv) perform studies to inform a project-level environmental review process, (v) initiate and complete the land use entitlement process, and (vi) submit construction drawings to the Building Inspection Division. The funds made available under the Amended and Restated Agreement, as amended, will be rolled into the permanent project financing. With that financing the loan will be forgivable under certain conditions. If it is determined that the project is not feasible, the loan will be forgiven and all deliverables will be assigned to the County for use with another future developer.

#### **Technical Assistance Loan Agreement**

On April 1, 2014, the County entered a loan agreement with CHDC, under which the County made a technical assistance loan to CHDC in the amount of \$48,000 using HOME funds. On December 2, 2014 the loan was amended to extend the term to December 31, 2016. CHDC has completed the scope of work for which the technical assistance loan was made. The project is now fully entitled and the term of the technical assistance loan is proposed to be extended to be coterminous with the Amended and Restated Agreement.

#### **CONSEQUENCE OF NEGATIVE ACTION:**

Should the Board elect not to approve the loan amendment, CHDC will be unable to complete the work for issuance of building permits, finalize legal documents for the project, or finalize the long-term financing of the project.

#### **ATTACHMENTS**

Agreement

Note

## THIRD AMENDMENT TO

## AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT (Heritage Point)

This third amendment to the Amended and Restated Predevelopment Loan Agreement (the "<u>Third Amendment</u>") is dated February 14, 2017, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (the "<u>County</u>"), and COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND, a California nonprofit public benefit corporation ("<u>Borrower</u>").

#### RECITALS

- A. In 2011, Borrower and the Redevelopment Agency of Contra Costa County (the "Agency") entered into a predevelopment loan agreement dated April 12, 2011 (the "Original Loan Agreement"). Pursuant to the Original Loan Agreement, Borrower borrowed One Hundred Thirty-One Thousand Seven Hundred Dollars (\$131,700) (the "Original Loan") of low and moderate income housing funds from the Agency. The Original Loan was used to finance certain predevelopment costs in connection with the potential development of six parcels located in the 1500 block of Fred Jackson Way in North Richmond, as more particularly described in Exhibit A (the "Property"). In furtherance of Borrower's proposal to construct rental housing on the Property that is affordable to low-income households (such housing, the "Development"), the Agency acquired the Property.
- B. As a result of the dissolution of the Agency in February 2012, and pursuant to California Health and Safety Code Section 34176(a), the County is the Housing Successor Agency to the Agency. When it became the Housing Successor Agency, the County became the owner of the Property, the lender under the Original Loan Agreement, and the holder of the Original Note.
- C. In 2014, Borrower and the County entered into an Amended and Restated Predevelopment Loan Agreement dated December 2, 2014 (the "<u>Agreement</u>"). The Agreement replaced the Original Loan Agreement.
- D. Concurrent with the execution of the Agreement, (i) the County loaned Borrower an additional One Hundred Fifty-Two Thousand Dollars (\$152,000), increasing the total loan to Two Hundred Eighty-Three Thousand Seven Hundred Dollars (\$283,700) (the "2014 Loan Amount"), (ii) the County cancelled the promissory note that evidenced Borrower's obligation to repay the Original Loan, and (iii) Borrower executed a new promissory note evidencing its obligation to repay the 2014 Loan Amount (the "2014 Note").
- E. In November 2015, (i) the County loaned Borrower an additional One Hundred Fifty-Two Thousand Five Hundred Dollars (\$152,500), bringing the total loan amount to Four

Hundred Thirty-Six Thousand Two Hundred Dollars (\$436,200) (the "2015 Loan Amount"), (ii) the County cancelled the 2014 Note, and (iii) Borrower executed a new promissory note evidencing its obligation to repay the 2015 Loan Amount (the "2015 Note").

- F. In July 2016, (i) the County loaned Borrower an additional One Hundred Eighty-Four Thousand Dollars (\$184,500) (the "2016 Loan Amount"), (ii) the County cancelled the 2015 Note, and (iii) Borrower executed a new promissory note evidencing its obligation to repay the revised total loan amount of Six Hundred Twenty Thousand Seven Hundred Dollars (\$620,700) (the "2016 Note").
- G. The parties now desire to amend the Agreement to make an additional Two Hundred Twenty-Six Thousand Five Hundred Dollars (\$226,500) (the "2017 Loan Amount") of low and moderate income housing funds available to Borrower in the form of a loan. The 2017 Loan Amount, when added to the 2016 Note and the accrued interest of Forty Two Thousand Eight Hundred Twenty Two Dollars and Sixty One Cents (\$42,822.61) on the 2016 Note, brings the total current outstanding loan to Eight Hundred Ninety Thousand Twenty Two Dollars and Sixty One Cents (\$890,022.61). The parties also desire to revise the Predevelopment Budget that is part of the Agreement.
- H. Concurrent with the execution of this Third Amendment, (i) Borrower is executing a new promissory note evidencing its obligation to repay the full Eight Hundred Ninety Thousand Twenty Two Dollars and Sixty One Cents (\$890,022.61) (the "2017 Note"), and (ii) the County is cancelling the 2016 Note.

The parties therefore agree to amend the Agreement as follows:

#### **AGREEMENT**

- 1. Unless defined in this Third Amendment, all defined terms used in this Third Amendment have the meaning ascribed to them in the Agreement.
- 2. Section 1.1(w) is deleted in its entirety and replaced with the following:
  - (w) "Loan" means the loan made by the County to Borrower in the amount of Eight Hundred Ninety Thousand Twenty Two Dollars and Sixty One Cents (\$890,022.61).
- 3. Section 1.1(y) is deleted in its entirety and replaced with the following:
  - (y) "Note" means the 2017 Note.
- 4. Section 1.1(aa) is deleted in its entirety and replaced with the following:
  - (aa) "Predevelopment Budget" means the proforma predevelopment budget, including sources and uses of funds, attached hereto and incorporated herein as

Exhibit B-3, which may be amended with the approval of the County as set forth in this Agreement.

5. Section 1.2 – Exhibits is deleted in its entirety and replaced with the following:

#### Section 1.2 Exhibits

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: Legal Description of the Property

EXHIBIT B-3: Predevelopment Budget EXHIBIT C: Predevelopment Schedule

6. Section 2.1 – <u>Loan</u> is deleted in its entirety and replaced with the following:

#### Section 2.1 Loan

On and subject to the terms and conditions of this Agreement, the County shall lend to Borrower the 2017 Loan Amount, which is the unfunded balance of the Loan. The Loan may only be used for the purposes set forth in Section 2.3. Borrower's obligation to repay the Loan is evidenced by the Note.

7. Section 2.6 – <u>Conditions Precedent to Disbursement of Predevelopment Loan Funds</u> is deleted in its entirety and replaced with the following:

### Section 2.6 <u>Conditions Precedent to Disbursement of Predevelopment Loan</u> Funds

The disbursements made pursuant to this Section 2.6 may not exceed the amount of the Loan. The County is not obligated to disburse any portion of the Loan or the 2017 Loan Amount, or take any other action under this Agreement, unless the following conditions have been and continue to be satisfied:

- (a) There exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement.
- (b) Borrower has delivered to the County all of Borrower's organizational documents and a copy of a corporate resolution authorizing Borrower's execution of this Agreement, as amended.
- (c) There exists no material adverse change in the financial condition of Borrower from that shown by the financial statements and other data and information furnished by Borrower to the County prior to the date of this Agreement.

- (d) Borrower has furnished the County with evidence of the insurance coverage meeting the requirements of Section 4.5 below.
- (e) Borrower has executed and delivered the Loan Documents to the County and has caused all other documents, instruments, and policies required by the Loan Documents to be delivered to the County.
- (f) The County has determined that the undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that the Borrower has obtained in connection with assessing the feasibility of the Development, are not less than the amount that is necessary to pay the Predevelopment Costs and to satisfy all of the covenants contained in this Agreement.
- (g) The County has received a written draw request from Borrower, including certification that the condition set forth in Section 2.6(a) continues to be satisfied, and setting forth the proposed uses of funds consistent with the Predevelopment Budget, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred.

Notwithstanding any other provisions of this Agreement, the County has no obligation to disburse any portion of the Loan to Borrower following: (i) termination of this Agreement; or (ii) the occurrence of an Event of Default.

[Remainder of Page Intentionally Left Blank]

8. All other terms of the Agree	ement remain unchanged.
The parties are signing this paragraph.	Third Amendment as of the date set forth in the introductory
	COUNTY:
	COUNTY OF CONTRA COSTA, a political subdivision of the State of California
	By:  John Kopchik, Director  Department of Conservation and Development
Approved as to form:	
Sharon L. Anderson County Counsel	
By: Kathleen Andrus Deputy County Counsel	
	BORROWER:
	COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND, a California nonprofit public benefit corporation
	By:
	Name:
	Its:

### EXHIBIT B-3

Predevelopment Budget

# FOURTH AMENDED AND RESTATED PROMISSORY NOTE (Heritage Point)

\$890,022.61 Martinez, California February 14, 2017

FOR VALUE RECEIVED, the undersigned Community Housing Development Corporation of North Richmond, a California nonprofit public benefit corporation, (the "Borrower") hereby promises to pay to the order of the County of Contra Costa, a political subdivision of the State of California ("Holder"), the principal amount of Eight Hundred Forty Seven Thousand Two Hundred Dollars (\$847,200), plus interest (\$48,822.61) thereon pursuant to Section 2 below.

This Fourth Amended and Restated Promissory Note (the "Note") replaces in its entirety that promissory note executed by Borrower for the benefit of Holder dated July 19, 2016, 2016, in the principal amount of Six Hundred Twenty-Six Thousand Five Hundred Dollars (\$226,500) (the "2016 Note"). Upon execution of this Note by Borrower, the 2016 Note will be cancelled and returned to Borrower.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. <u>Borrower's Obligation</u>. This Note evidences Borrower's obligation to repay Holder the principal amount of Eight Hundred Forty Seven Thousand Two Hundred Dollars (\$847,200), plus interest (\$48,822.61) for the funds loaned to Borrower by Holder to finance predevelopment expenses in connection with Heritage Point pursuant to the Amended and Restated Predevelopment Loan Agreement between Borrower and Holder dated December 2, 2014, as amended from time to time (the "<u>Loan Agreement</u>").

#### 2. <u>Interest.</u>

- (a) Subject to the provisions of Subsection (b) below, the Loan bears simple interest at a rate of three percent (3%) per annum from the date of disbursement until full repayment of the principal balance of the Loan.
- (b) If an Event of Default occurs, interest will accrue on all amounts due under this Note at the Default Rate until such Event of Default is cured by Borrower or waived by Holder.
- 3. <u>Term and Repayment Requirements</u>. Principal and interest under this Note is due and payable as set forth in Section 2.7 of the Loan Agreement. In any event, the unpaid principal balance, together with any accrued interest, is due and payable not later than December 31, 2017.
- 4. <u>No Assumption</u>. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

5. <u>Collateral</u>. As security for this Note, Borrower has assigned to Holder Borrower's rights and obligations in and to various contracts and work products, which are more particularly described in the Assignment Agreement. The terms of the Assignment Agreement are hereby incorporated into this Note and made a part hereof.

#### 6. <u>Terms of Payment</u>.

- (a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at Department of Conservation and Development, 30 Muir Road, Martinez, CA 94553, Attention: Maureen Toms, or to such other place as Holder may from time to time designate.
- (b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.
- (c) All payments received will be applied first to accrued interest then to the outstanding principal amount.
- (d) Notwithstanding any other provision of this Note, if, for any reason whatsoever, the payment of any sums by Borrower pursuant to the terms of this Note would result in the payment of interest that exceeds the amount that Holder may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate will automatically be deducted from the principal balance owing on this Note, so that in no event is Borrower obligated under the terms of this Note to pay any interest that would exceed the lawful rate.
- (e) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

#### 7. Event of Default; Acceleration.

- (a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note will, at the option of Holder, become immediately due and payable without further demand.
- (b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

#### 8. Waivers.

- (a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.
- (b) No extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note will operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

#### 9. Miscellaneous Provisions.

- (a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.
- (b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.
  - (c) This Note is governed by the laws of the State of California.
- (d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.
- (e) The Loan Documents, of which this Note is a part, contain the entire agreement between the parties as to the Loan. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower is executing this Promissory Note as of the day and year first above written.

COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND, a California nonprofit public benefit corporation

By:	 	 
Name:	 	
Its:		

# SECOND AMENDED AND RESTATED PROMISSORY NOTE (Heritage Point)

\$51,925.54 Martinez, California February 14, 2017

FOR VALUE RECEIVED, the undersigned Community Housing Development Corporation of North Richmond, a California nonprofit public benefit corporation, (the "Borrower") hereby promises to pay to the order of the County of Contra Costa, a political subdivision of the State of California ("Holder"), the principal amount of Fifty-One Thousand Nine Hundred Twenty-Five and Fifty-Four One Hundredths Dollars (\$51,925.54), plus interest thereon pursuant to Section 2 below.

This Second Amended and Restated Promissory Note (the "Note") replaces in its entirety that promissory note executed by Borrower for the benefit of Holder dated April 1, 2014, in the principal amount of Forty-Eight Thousand Dollars (\$48,000) (the "2014 Note"). Upon execution of this Note by Borrower, the 2014 Note will be cancelled and returned to Borrower.

All capitalized terms used but not defined in this Note have the meanings set forth in the Loan Agreement.

1. <u>Borrower's Obligation</u>. This Note evidences Borrower's obligation to repay Holder the principal amount of Fifty-One Thousand Nine Hundred Twenty-Five and Fifty-Four One Hundredths Dollars (\$51,925.54), with interest for the funds loaned to Borrower by Holder to assess the feasibility of constructing rental housing affordable to low-income households pursuant to the First Amended Technical Assistance Loan Agreement between Borrower and Holder of dated April 1, 2014 (the "<u>Loan Agreement</u>").

#### 2. Interest.

- (a) Subject to the provisions of Subsection (b) below, the Loan bears simple interest at a rate of three percent (3%) per annum from the date of disbursement until full repayment of the principal balance of the Loan.
- (b) If an Event of Default occurs, interest will accrue on all amounts due under this Note at the Default Rate until such Event of Default is cured by Borrower or waived by Holder.
- 3. <u>Term and Repayment Requirements</u>. Principal and interest under this Note is due and payable as set forth in Section 2.7 of the Loan Agreement. In any event, the unpaid principal balance, together with any accrued interest, is due and payable not later than December 31, 2017.
- 4. <u>No Assumption</u>. This Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder.

5. <u>Collateral</u>. As security for this Note, Borrower has assigned to Holder Borrower's rights and obligations in and to various contracts and work products, which are more particularly described in the Assignment Agreement. The terms of the Assignment Agreement are hereby incorporated into this Note and made a part hereof.

#### 6. <u>Terms of Payment</u>.

- (a) Borrower shall make all payments due under this Note in currency of the United States of America to Holder at Department of Conservation and Development, 30 Muir Road, Martinez, CA 94553, Attention: Affordable Housing Program Manager, or to such other place as Holder may from time to time designate.
- (b) All payments on this Note are without expense to Holder. Borrower shall pay all costs and expenses, including reasonable attorney's fees of Holder, incurred in connection with the payment of this Note and the release of any security hereof.
- (c) All payments received will be applied first to accrued interest then to the outstanding principal amount.
- (d) Notwithstanding any other provision of this Note, if, for any reason whatsoever, the payment of any sums by Borrower pursuant to the terms of this Note would result in the payment of interest that exceeds the amount that Holder may legally charge under the laws of the State of California, then the amount by which payments exceed the lawful interest rate will automatically be deducted from the principal balance owing on this Note, so that in no event is Borrower obligated under the terms of this Note to pay any interest that would exceed the lawful rate.
- (e) The obligations of Borrower under this Note are absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

#### 7. Event of Default; Acceleration.

- (a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note will, at the option of Holder, become immediately due and payable without further demand.
- (b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of Holder, except as and to the extent otherwise provided by law.

#### 8. Waivers.

- (a) Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, notice of dishonor and notice of non-payment of this Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.
- (b) No extension of time for payment of this Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this Note will operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

#### 9. Miscellaneous Provisions.

- (a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.
- (b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this Note, regardless of whether suit is filed to seek enforcement.
  - (c) This Note is governed by the laws of the State of California.
- (d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.
- (e) The Loan Documents, of which this Note is a part, contain the entire agreement between the parties as to the Loan. This Note may not be modified except upon the written consent of the parties.

IN WITNESS WHEREOF, Borrower is executing this Promissory Note as of the day and year first above written.

COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND, a California nonprofit public benefit corporation

By:	 	
Name:	 	 
Its:		