

CITY OF YUBA CITY
STAFF REPORT

Date: July 21, 2020
To: Honorable Mayor & Members of the City Council
From: Finance/IT Department
Presented by: Spencer Morrison, Finance Director/City Treasurer

Summary

Subject: Provide a \$10,000,000 conduit financing for a new Ampla Health clinic in Yuba City (City)

Recommendation:

- A. Conduct a Public Hearing, and after consideration;
- B. Approve the attached TEFRA Resolution in which the City, as purchaser, proposes to enter into an installment sale agreement with Ampla Health, as seller; and
- C. Approve the attached City Resolution authorizing the form and execution of certain documents in connection with the installment sale financing and refinancing of health facilities for Ampla Health and directing certain actions:
 - 1. First and Second Installment Sale Agreements
 - 2. First Assignment Agreement
 - 3. Certificate Purchase Agreement
 - 4. Trust Agreement

Fiscal Impact: All costs of issuance, debt service, risk, and liability will be borne my Ampla Health.

Purpose:

To provide conduit, tax-exempt, bond financing to Ampla Health for construction of a new Yuba City health clinic.

Background:

Earlier this spring, the City was approached by Ampla Health's (Ampla) consultants requesting that the City assist in a tax-exempt financing for the new construction by Ampla of an 11,830 square foot clinic at 355 Samuel Drive in Yuba City and to refinance certain outstanding obligations of Ampla (the "Project").

As a nonprofit corporation, Ampla is not able to take advantage of tax-exempt financing without the issuance of securities by a municipal entity. The proposed structure is a certificates of participation financing whereby a payment stream made by the City (derived from payments made by Ampla) will be certificated and sold to investors. In the proposed private placement financing

(rather than a public offering), First Foundation Bank of Roseville, CA, (Purchaser) has agreed to purchase the certificates of participation. The City has no financial obligation for the financing and has retained and is being advised by bond counsel from Quint & Thimmig LLP. The City Attorney is reviewing the documents, but is relying on the bond counsel as to the structure of the transaction.

While Ampla has other alternatives for a municipal entity to act as financing conduit, use by the City in that role is the most cost effective one.

In addition, the City has agreed to allow the financing to qualify as a “bank qualified” issue (requiring the City to agree that, unless some unforeseen emergency exists, it will issue no other tax-exempt debt in 2020) which results in even lower borrowing costs for Ampla.

Analysis:

The mechanism of this transaction is new to the City, but not to the financial advisors and bond counsel that advise nonprofit organizations while improving their communities through bonds or certificates of participation. The identical financing structure was recently employed by a nonprofit borrower similar to Ampla through a city in Central California.

The two primary documents that facilitate this arrangement are the First Installment Sale Agreement and the Second Installment Sale Agreement.

Under the First Installment Sale Agreement, Ampla will sell its facilities to the City and the City will agree to make purchase payments to Ampla over 21 years. Under the Second Installment Sale Agreement, the City will sell the facilities back to Ampla and Ampla will agree to make installment payments to the City over 21 years. The City’s payment obligation is solely limited to the payments made by Ampla and has no obligation to expend any of its funds. Both payment streams are assigned to U.S. Bank National Association, as trustee (the “Trustee”), which converts the payments into certificates of participation which represent the purchase payments made by the City (the “COPs”). The Purchaser agrees to purchase the COPs in exchange for its right to receive such payments over time (which include an interest component) and the proceeds of such purchase will provide the funds to allow Ampla to finance the Project.

The First Installment Sale Agreement, the Second Installment Sale Agreement and the assignment agreements are executed simultaneously and there will not be an opportunity for one agreement to be left unexecuted, leaving one party exposed. Under the First Installment Sale Agreement and the Second Installment Sale Agreement, Ampla agrees to fully indemnify the City from any and all obligations and actions at the conclusion of the sale, including lawsuits to the extent of the law, and commits Ampla to fully reimburse the City for all costs of issuance including staff time and attorney’s fees. Further, the Purchaser will acknowledge and agree in the Certificate Purchase Agreement that the obligation for the payment of debt service for the COPs is solely that of Ampla and in no way an obligation of the City and will never look to the City for such payment. A similar clause must be signed by any subsequent owner of these COPs (who must be sophisticated, institutional investors and not individuals).

Certificates of Participation Issuance:

At this time, as required of federal tax law as a condition precedent to the issuance of tax-exempt obligations, the City Council will consider conducting a public hearing (TEFRA) and take action to adopt the attached resolutions for the proposed COPs pursuant to the installment sale agreements.

Fiscal Impact:

As noted above, all costs of issuance, debt service, risk, and liability will be transferred to Ampla through the installment sale agreements.

Alternatives:

Do not authorize the City to act as a conduit for the Ampla financing and require Ampla to choose a costlier financing method or find a different, willing municipal partner.

Recommendation:

Staff recommends approval of the attached resolutions authorizing the issuance of the COPS in the amount of \$10 million.

Attachments:

1. **TEFRA Resolution.** Pursuant to federal tax law as a condition precedent to the issuance of tax-exempt obligations, the City, as host jurisdiction for the project to be financed, must adopt a resolution approving the proposed financing after a public hearing. The public hearing allows the public to ask questions about the project and to express any concerns.
2. **City Resolution.** This resolution provides for the approval of the financing by the City and approves the forms and authorizes the execution of the various documents to be executed by the City. The resolution also retains bond counsel for the transaction, but provides that cost of such counsel's services are to be borne solely by Ampla. The Mayor, City Manager, Finance Director, and City Clerk are authorized to sign the relevant documents in the City Resolution.
3. **First Installment Sale Agreement.** Under the First Installment Sale Agreement, Ampla will sell its facilities to the City and the City will agree to make purchase to Ampla over 21 years.
4. **Second Installment Sale Agreement.** Under the Second Installment Sale Agreement, the City will sell the facilities back to Ampla and Ampla will agree to make installment to the City over 21 years. The City's payment obligation is solely limited to the payments made by Ampla and has no obligation to expend any of its funds. This document also provides for the indemnities provided by Ampla for the City.
5. **First Assignment Agreement.** Under this document, the City assigns the payments made by Ampla to the City to the Trustee which uses such payments to make the debt service payments to the Purchaser.
6. **Certificate Purchase Agreement.** Under this document, the Purchaser agrees to purchase the Certificates for \$10,000,000 and it sets forth the amortization schedule, the interest rate and the redemption provisions.
7. **Trust Agreement.** The Trust Agreement provides the mechanism for the creation of the COPs, the application of the proceeds received from the Purchaser, sets up the necessary funds and accounts, provides for the payment of debt service after collection from Ampla and sets forth certain provisions relating to the Trustee

Prepared By:

/s/ Spencer Morrison
Spencer Morrison
Finance Director/City Treasurer

Reviewed By:

City Attorney

Submitted By:

/s/ Diana Langley
Diana Langley
Interim City Manager

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE EXECUTION AND DELIVERY BY CITY OF YUBA CITY OF
AN INSTALLMENT SALE AGREEMENT BY AND BETWEEN AMPLA HEALTH,
AS SELLER, AND THE CITY, AS PURCHASER**

RESOLVED, by the City Council (the "Council") of City of Yuba City, California (the "City"), as follows:

WHEREAS, the City proposes to enter into an installment sale agreement, by and between Ampla Health, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), as seller, and the City, as purchaser, in the maximum principal amount of \$10,000,000, of qualified 501 (c)(3) bonds, of which approximately \$6,005,000 will be used to finance the construction and equipping of a 11,083 square foot, two-story health clinic to be located on a .97 acre site at 355 Samuel Drive in Yuba City, California, containing 18 exam rooms, one treatment room, a conference room, patient intake areas and 450 square feet of space adjacent to the lobby for future services. The remaining amount will be used to refund the outstanding California Health Facilities Financing Authority Taxable Variable Rate Demand Refunding Revenue Bonds (Ampla Health), Series 2016, issued to finance and refinance capital projects for the Corporation;

WHEREAS, section 147(f) of the Internal Revenue Code of 1986, requires the Council, as the elected representative of the City, the host jurisdiction of such facilities, to approve the execution and delivery by the City of the proposed installment sale agreement (the "Installment Sale Agreement") after a public hearing following reasonable notice;

WHEREAS, a public hearing was held by the Council on July 21, 2020, at the hour of 6:00 P.M., in the City Council Chambers, at City Hall, 1201 Civic Center Boulevard, Yuba City, California, following duly published notice thereof, and all persons desiring to be heard have been heard; and

WHEREAS, it is in the public interest and for the public benefit that the Council, as the elected representative of the City, the host jurisdiction of such facilities, approve the execution and delivery by the City of the proposed installment sale agreement;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby finds, determines and declares that execution and delivery by the City of the Installment Sale Agreement, in the maximum principal amount of \$10,000,000, for the purposes described above, is hereby approved.

The foregoing is a full, true and correct copy of a resolution duly adopted by the City Council of City of Yuba City at a meeting thereof on the 21st day of July, 2020, by the following vote of the members thereof:

AYES:

NOES:

ABSTAINED:

ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN
DOCUMENTS IN CONNECTION WITH THE INSTALLMENT SALE FINANCING
AND REFINANCING OF HEALTH FACILITIES FOR AMPLA HEALTH AND
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the City Council (the "Council") of the City of Yuba City, California (the "City"), as follows:

WHEREAS, Ampla Health (the "Corporation"), a nonprofit, public benefit corporation created and existing under the laws of the State of California, and operating in the City of Madera, has determined to proceed with financing and refinancing of certain health facilities as follows:

(a) approximately \$3,995,000 finance the construction and equipping of an 11,083 square foot, two-story health clinic to be located on a .97 acre site at 355 Samuel Drive in Yuba City, California, containing 18 exam rooms, one treatment room, a conference room, patient intake areas and 450 square feet of space adjacent to the lobby for future services; and

(b) approximately \$6,005,000 to refund the outstanding California Health Facilities Financing Authority Taxable Variable Rate Demand Refunding Revenue Bonds (Ampla Health), Series 2016, issued to:

(i) provide for the refunding of the portion of the then outstanding Certificates of Participation evidencing direct, undivided fractional interests of the owners thereof in purchase payments to be made by the California Statewide Communities Development Authority as the purchase price of certain property pursuant to installment purchase agreements with the Corporation, Central Valley Indian Health, Inc., the Corporation (under its prior name, Del Norte Clinics, Inc.), Open Door Community Health Centers, Salud Para La Gente, Sequoia Community Health Foundation, Social Science Services, Inc. and United Health Centers of the San Joaquin Valley), delivered in 2000 for the benefit of the Corporation, the proceeds of which were used for the purpose of refunding the portion of the outstanding Local Medical Facilities Financing Authority I Certificates of Participation (Insured California Health Clinics Project) delivered to provide assistance to the Corporation, under its former name, Northern Sacramento Valley Rural Health Project, in financing the construction of its health facility located at 227 Swift Street, Orland, California, which facility was subsequently sold and the proceeds received from such sale applied to the construction of the Corporation's facility at 1211 Cortina Drive Orland, California,

(ii) provide for the refunding of the outstanding California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Del Norte Clinics, Inc.), 2003 Series A, issued for the benefit of the Corporation (under its prior name, Del Norte Clinics, Inc.), the proceeds of which were used to finance (A) the acquisition and renovation of a building leased by the Corporation located at 520 Kentucky Street in the City of Gridley (used as a family health clinic), (B) the acquisition and renovation of a building leased by the Corporation located at 680 Cohasset Road in the City of Chico (used as a family health and dental center), (C) construction of a new health and dental facility on a parcel of land owned by the Corporation on Lincoln Road south of Oro Dam

Boulevard in the City of Oroville, and (D) finance the acquisition of two buildings leased by the Corporation located at 931 Market Street in the City of Yuba City (used as a pediatric clinic) and 935A Market Street in the City of Yuba City (used as an administration building and medical center),

(iii) provide for the prepayment of a HELP II loan from the California Health Facilities Financing Authority to the Corporation, the proceeds of which were used to finance construction at, and equipment for, the Corporation's health facility located at 4941 Olivehurst Avenue in Olivehurst, California,

(iv) provide for the prepayment of a loan from the United States Department of Agriculture Rural Development, to the Corporation, the proceeds of which were used to finance construction at, and equipment for, the Corporation's health facility located at 4941 Olivehurst Avenue in Olivehurst, California, and

(v) provide for the prepayment of two loans from Northern California National Bank to the Corporation, the proceeds of which were used to finance the acquisition of land and a building, known as the Enloe Medical Center, located at 7981 Highway 99 in Los Molinos, California,

(collectively, the "Project");

WHEREAS, the Corporation has requested the assistance of the City for the financing of the Project;

WHEREAS, the City is empowered by the laws of the State of California to acquire real and personal property and to dispose of the same through lease, lease-purchase or installment sale agreements, or otherwise, as may be necessary or convenient for the public purposes of the City; and

WHEREAS, the City has agreed to act as conduit issuer for the Corporation to facilitate such financing and facilitate the construction of the new health clinic in the City; and

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

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The below-enumerated documents, substantially in the forms on file with the City Clerk, are hereby approved and the Mayor, the Vice Mayor, the City Manager or the Director of Finance is hereby authorized and directed to execute said agreements, with such changes, insertions and omissions as may be approved by any such official, after approval by bond counsel (described below), and the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) a Trust Agreement (the "Trust Agreement"), by and among the City, the Corporation and U.S. Bank National Association, as trustee (the "Trustee");

(b) a First Installment Sale Agreement, between the Corporation and the City (the "First Installment Sale Agreement");

(c) a Second Installment Sale Agreement, between the City and the Corporation; and

(d) a First Assignment Agreement, between the City and the Trustee.

Section 2. The Council hereby approves the direct purchase of certificates of participation evidencing direct, undivided fractional interests of the owners thereof in purchase payments to be made by the City, as the purchase price of certain property pursuant to the First Installment Sale Agreement (the "Certificates") by First Foundation Bank (the "Purchaser"), so long as the aggregate principal amount of Certificates does not exceed \$10,000,000 and so long as the interest rate applicable to the Certificates is not greater than 5%.

Section 3. Under no circumstances shall the City be required to pay or be liable for any payment or obligation associated with the agreements and the Certificates approved hereby from any source of City funds, such obligations to be paid by the Corporation as set forth in the documents described in Section 1 of this resolution.

Section 4. The Mayor, the Vice Mayor, the City Manager, the Director of Finance, the City Clerk and other appropriate officers of the City are hereby authorized and directed to prepare and execute such other documents and certificates and to take such other actions as may be necessary to affect the purposes of this resolution and the installment sale financing herein described.

Section 5. At the request of the Corporation, Quint & Thimmig LLP is hereby retained as bond counsel to the City in connection with the issuance, sale and delivery of the Certificates, the compensation for such services, which shall be fully contingent upon the successful conclusion of the financing and paid solely from the proceeds of the Certificates or from funds of the Corporation and not by the, shall be as set forth in the such firm's agreement for legal services on file with the City Clerk. The Mayor, City Manager, or Director of Finance may execute such Agreement.

Section 6. This resolution shall take effect immediately upon its adoption.

The foregoing is a full, true and correct copy of a resolution duly adopted by the City Council of the City at a meeting thereof on the 21st day of July, 2020, by the following vote of the members thereof:

AYES:
NOES
ABSTAINED:
ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 3

FIRST INSTALLMENT SALE AGREEMENT

by and between

AMPLA HEALTH

and the

CITY OF YUBA CITY

Dated as of August 1, 2020

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EXHIBIT A: DESCRIPTION OF REAL PROPERTY
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FIRST INSTALLMENT SALE AGREEMENT

This FIRST INSTALLMENT SALE AGREEMENT (the "First Installment Sale Agreement") is dated as of August 1, 2020, by and between AMPLA HEALTH, Visalia, California (herein called "the Corporation"), a nonprofit public benefit corporation organized and existing under the laws of the State of California, and the CITY OF YUBA CITY (herein called the "City"), a municipal corporation and general law city and existing under the laws of the State of California;

WITNESSETH:

In consideration of the mutual covenants hereinafter contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section 101. Definitions in General. Unless the context clearly otherwise requires, all capitalized terms used herein shall have the meanings assigned to such terms in the Trust Agreement, dated as of August 1, 2020, by and among the City, the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), as originally executed or as it may, from time to time, be supplemented, modified or amended as provided therein (the "Trust Agreement"). The term "Agreement" as used herein shall mean this First Installment Sale Agreement, unless the context clearly requires some other meaning.

Section 102. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

(b) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this First Installment Sale Agreement, all refer to this First Installment Sale Agreement.

(c) For all purposes of this First Installment Sale Agreement, reference to the "assignee" of the Corporation means the Trustee acting, pursuant to the Second Assignment Agreement on behalf of the Owners of the Certificates delivered pursuant to the Trust Agreement.

ARTICLE II

RECITALS

Section 201. Status and Powers of the Corporation. The Corporation is a nonprofit public benefit corporation organized and existing for the purpose of operating a health facility, is an organization that meets the requirement of section 501(c)(3) of the Code and is authorized to purchase and hold real property and personal property.

Section 202. Status and Powers of the City. The City is a municipal corporation and general law city and is authorized by the California Government Code to purchase and receive real property and personal property and to control and dispose of it for the common benefit and in furtherance of its public purposes.

Section 203. Purpose of Agreement. In furtherance of its authorized purposes, the City desires to purchase the Facilities from the Corporation and the Corporation is willing and able to sell the Facilities to the City. The purpose of this First Installment Sale Agreement is to accomplish such transfer.

Section 204. Related Agreements. The parties hereto acknowledge the following related agreements:

(a) the Second Installment Sale Agreement pursuant to which the City grants, conveys and sells the Facilities to the Corporation and the Corporation agrees to make Installment Payments therefor;

(b) the First Assignment Agreement pursuant to which the City assigns all of its rights and remedies under the Second Installment Sale Agreement to the Trustee as security for the City's obligation to make Purchase Payments under this First Installment Sale Agreement;

(c) the Second Assignment Agreement pursuant to which the Corporation assigns to the Trustee (all of its rights and remedies under the First Installment Sale Agreement; and

(d) the Trust Agreement pursuant to which the Trustee, the Corporation and the City agree to implement this First Installment Sale Agreement by providing for the delivery of Certificates, for the administration of funds and for the exercise of rights and remedies.

Section 205. Construction of this First Installment Sale Agreement. For all purposes of this First Installment Sale Agreement, reference to the "assignee" of the Corporation means the Trustee acting on behalf of the Owners of the Certificates delivered pursuant to the Trust Agreement.

Section 206. No Merger. The parties acknowledge that the Corporation constitutes the seller of the Facilities under this First Installment Sale Agreement and the purchaser of the Facilities under the Second Installment Sale Agreement. The Second Installment Sale Agreement and this First Installment Sale Agreement represent, and in all respects of any nature whatsoever shall always represent, be interpreted as and constitute, separate and distinct obligations. Under no circumstances whatsoever shall a merger of the roles or obligations of the Corporation as seller under this First Installment Sale Agreement and purchaser under the Second Installment Sale Agreement occur or be deemed to occur by reason of the City's assignment to the Trustee under the First Assignment Agreement of its rights against the Corporation under the Second Installment Sale Agreement, or otherwise.

ARTICLE III

SALE OF THE FACILITIES

Section 301. Deposit of Moneys. In order to induce the City to purchase the Facilities from the Corporation and to assure the City that the moneys needed to pay the costs thereof and the Delivery Costs will be available for such purposes without delay, the Corporation or its assignee, shall cause to be deposited with the Trustee on the Closing Date \$10,000,000.00 from the proceeds of the sale of the Certificates. Of this amount, \$_____ is required to be transferred to the 2016 Trustee (being an amount equal to the outstanding principal amount of the 2016 Bonds plus accrued interest from August 1, 2020, to and including the Closing Date), and used to redeem the 2016 Bonds, \$_____ is required to be deposited in the Delivery Costs Account, and \$_____ is required to be deposited in the Project Account.

Section 302. Sale of Facilities; Title. In consideration of the payment by the City to the Corporation or its assignee of the Purchase Payments, the Corporation hereby grants, conveys and sells the Facilities to the City.

Title to the Facilities shall vest in the City pursuant to the conveyance made in this Section 302, subject to the agreement in the Second Installment Sale Agreement to convey the Facilities to the Corporation and subject to Permitted Encumbrances.

Section 303. Payment of Delivery Costs. Payment of Delivery Costs shall be made from moneys deposited in the Delivery Costs Account. Delivery Costs shall be disbursed in accordance with the provisions relating thereto contained in the Trust Agreement. On November 11, 2020, unexpended moneys remaining in the Delivery Costs Account shall be transferred to the Project Account, unless transferred previously by direction of the Corporation.

Section 304. Payment of Project Costs. Payment of Project Costs shall be made from moneys deposited in the Project Account. Project Costs shall be disbursed in accordance with the provisions relating thereto contained in the Trust Agreement. Upon completion of the Project, as certified by the Corporation to the Trustee, unexpended moneys remaining in the Project Account shall be transferred to the Purchase Payment Account.

Section 304. Grant of Right of Entry. In order to enable the Corporation or its assignee to provide for enforcement of remedies upon an Event of Default hereunder, the City hereby grants to the Corporation and its assignee a right to enter the Facilities and a right to do and perform all acts necessary or appropriate thereon for the aforesaid purposes. The City represents that it is empowered to grant such right of entry and that such grant does not violate the terms of any agreement to which it is a party.

ARTICLE IV

PURCHASE PAYMENTS; SECURITY

Section 401. Purchase Payments. In consideration of the Corporation's conveyance to the City by the terms of this First Installment Sale Agreement of title to the Facilities, the City shall pay to the Trustee, as assignee of the Corporation under the Second Assignment Agreement, but solely from Revenues (except to the extent paid out of moneys attributable to the proceeds of the Certificates or to the income from the investment thereof), the Purchase Payments set forth in Exhibit B attached hereto and by this reference incorporated herein, as Exhibit B may from time to time be amended in accordance with the terms of this First Installment Sale Agreement. Under no circumstances shall the City be required to make any payment of any nature arising from this First Installment Sale Agreement other than from Revenues. To the extent Revenues are, for any reason, insufficient to make any payment of moneys required to be made hereunder, the City shall have no liability for such payment of money.

The Purchase Payments shall be payable from Revenues and shall be due on the Payment Dates specified in said Exhibit B.

Purchase Payments have been calculated based upon the interest portion of the Certificate payments being excludable from gross income for federal, state and local income tax purposes. If, based upon an opinion of nationally recognized bond counsel, the Owners are no longer entitled to exclude the interest portion of the Certificate payments from their respective gross income for federal, state and local income tax purposes, the Owners, at the Owners' option, shall recalculate the Purchase Payments for the remaining term of this First Installment Sale Agreement and/or extend the original term of this First Installment Sale Agreement, as permitted by law, to protect the Owners' originally anticipated after tax yield from the Closing Date to the final maturity of the Certificates. Such recalculations shall be on the basis that the interest portion of the Certificate payments is subject to (a) federal income tax (taking into account the deductibility of State taxes for federal income tax purposes) at the highest marginal corporate tax rate or such other corporate tax rate that is then applicable to the Owners, and (b) state and local income tax at the highest marginal corporate tax rate or other similar tax rate as may be applicable in each state or locality, as applicable. In such event, the City authorizes the Owners to correct the Purchase Payment schedule set forth in Exhibit B attached hereto (and all related documentation) to reflect such changes, and the City, if requested by the Owners, shall execute an amendment to Exhibit B hereto prepared by the Owners to reflect such changes.

Section 402. Interest Component. A portion of each Purchase Payment is paid as, and represents payment of, interest. The interest component of each Purchase Payment is set forth in Exhibit B.

Section 403. Payment in Lawful Money; No Set-Off. Each Purchase Payment shall be paid by the City although the payment of Installment Payments by the Corporation to the Owners, as provided in the Second Installment Sale Agreement, shall constitute evidence of the City's payment of Purchase Payments.

Subject to the limitations upon the performance by the City set forth herein, the City hereby agrees to perform all of its obligations, covenants and agreements hereunder without notice or demand. Nothing in this First Installment Sale Agreement shall be construed as a waiver by the City of any right or claim the City may have against the Corporation or its assignee under this First Installment Sale Agreement or otherwise, but any recovery resulting from such right or claim shall be had from the Corporation or its assignee separately, it being

the intent of this First Installment Sale Agreement that the City be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this First Installment Sale Agreement; provided, however, that Purchase Payments shall be payable solely from Revenues.

Section 404. Prepayment.

(a) In the event of prepayment of Installment Payments by the Corporation pursuant to Sections 404(b) or 404(c) of the Second Installment Sale Agreement, such prepayment shall be applied as a mandatory prepayment of Purchase Payments due with respect to the same Payment Dates as the Payment Dates to which such Installment Payments pertain.

(b) In the event of prepayment of Purchase Payments in part, as a result of a prepayment of Installment Payments by the Corporation pursuant to Section 404(c) of the Second Installment Sale Agreement, the Corporation shall provide to the City, the Owners and the Trustee an amended Exhibit B setting forth the revised schedule of Purchase Payments reflecting said partial prepayment.

Section 405. Advance Security Deposit. Notwithstanding any other provision of this First Installment Sale Agreement, the City may, on any date, secure the payment of all or a portion of the Purchase Payments by a deposit with the Trustee, as escrow holder under an escrow deposit and trust agreement as referenced in Section 902 of the Trust Agreement, of: (a) in the case of a security deposit relating to all Purchase Payments, either (i) an amount which, together with amounts on deposit in the Trust Fund and the accounts therein and the Redemption Fund, is sufficient to pay all unpaid Purchase Payments, including the principal and interest components thereof, in accordance with the Purchase Payment schedule set forth in Exhibit B as then applicable, or (ii) non-callable Federal Securities, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant or a nationally recognized consultant acceptable to the Trustee, together with interest to accrue thereon without reinvestment thereof and, if required, all or a portion of moneys or Federal Securities then on deposit and interest earnings thereon in the Trust Fund and the accounts therein, be fully sufficient to pay all unpaid Purchase Payments on their Payment Dates; or (b) in the case of a security deposit relating to a portion of the Purchase Payments both (i) a Written Certificate executed by an Authorized Representative of the City (based upon a similar Written Certificate of an Authorized Representative of the Corporation relating to the prepayment of Installment Payments) designating the portion of the Purchase Payments to which the deposit pertains, and (ii) non-callable Federal Securities, together with cash, if required, in such amount as will, together with amounts, if any, available to be released from the Trust Agreement (which availability shall be based upon an opinion of Special Counsel to the effect that such release of moneys will not adversely affect the exclusion from gross income for federal income tax purposes of the interest component of Purchase Payments) in the opinion of an independent certified public accountant or a nationally recognized consultant, together with interest to accrue thereon, be fully sufficient to pay the portion of the Purchase Payments designated in the aforesaid Authorized Representative's Written Certificate.

In the event of a deposit pursuant to this Section 405 as to all Purchase Payments, all obligations of the City under this First Installment Sale Agreement, and all security provided by this First Installment Sale Agreement for said obligations, including but not limited to all rights and interest provided pursuant to the First Assignment Agreement, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, Purchase Payments from the deposit made by the City pursuant to this Section 405 and its obligation to rebate Excess Investment Earnings to the United States and its obligations to the Trustee pursuant to Section 513 hereof. Said deposit shall be deemed to be and shall constitute a special fund for the

payment of Purchase Payments in accordance with the provisions of this First Installment Sale Agreement. Upon said deposit, the Corporation or its assignee will execute or cause to be executed a reconveyance of any and all documents as may be necessary to evidence the release of security provided for hereby and to confirm title to the Facilities in the City subject to the Second Installment Sale Agreement.

Section 406. Pledge of Revenues.

(a) The City hereby transfers, assigns and sets over and grants a security interest in all of the Revenues for the benefit of the Corporation and its assignee, and all of the Revenues are hereby irrevocably pledged to the punctual payment of the Purchase Payments, and the Revenues shall not be used for any other purpose while any portion of such Purchase Payments which is due remains unpaid, subject to the obligations as set forth in Section 513. Said pledge shall constitute a first, direct and exclusive charge and lien on the Revenues for the payment of the Purchase Payments, subject to the obligations as set forth in Section 513 in accordance with the terms hereof.

(b) The parties hereto acknowledge that the obligation of the City to make Purchase Payments is a special obligation payable solely from Revenues and does not constitute an obligation for which the City has pledged any form of taxation or other moneys.

Section 407. Further Security for Purchase Payments; First Assignment Agreement. To secure payment by the City of Purchase Payments due hereunder, the City shall execute the First Assignment Agreement by which it shall assign to the Trustee all of the City's rights and interests under the Second Installment Sale Agreement.

ARTICLE V
COVENANTS

Section 501. Payment of Purchase Payments. The City shall duly and punctually pay or cause to be paid the Purchase Payments, on the dates, at the places and in the manner provided in this First Installment Sale Agreement according to the true intent and meaning hereof and shall not directly or indirectly extend or assent to the extension of the Payment Dates of any Purchase Payments; provided, however, that the City's obligation to make Purchase Payments shall be a special obligation payable solely from Revenues.

Section 502. Maintenance of Revenues. Subject to the provisions of the First Assignment Agreement, the Second Assignment Agreement and applicable laws and regulations, the City shall promptly collect, or cause to be collected, all Revenues as the same become due, and shall promptly and vigorously enforce, or cause to be enforced, its rights to collect such Revenues as they become due.

Section 503. Compliance with this First Installment Sale Agreement. The City shall faithfully observe and perform or cause to be faithfully observed and performed all the covenants, conditions and requirements of this First Installment Sale Agreement, and shall not suffer or permit any Event of Default to occur hereunder, nor do or permit to be done in, upon or about the Facilities or any part thereof, anything that might in any way weaken, diminish or impair the operation or use of the Facilities. The City shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of this First Installment Sale Agreement.

Section 504. Payment of Taxes. The City acknowledges that, pursuant to the Second Installment Sale Agreement, the Corporation has agreed to pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon the Facilities, or any part thereof, promptly as and when the same shall become due and payable; provided, however, that the Corporation shall not be required to pay or cause to be paid any such tax, assessment or charge, if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, and if the Corporation shall set aside, or cause to be set aside, adequate reserves with respect thereto; and provided further, however, that the Corporation, upon the commencement of any proceedings to foreclose the lien of any such tax, assessment or charge, shall forthwith pay, or cause to be paid, any such tax, assessment or charge, unless contested in good faith as aforesaid. Nothing herein contained shall be deemed to impose any liability to pay taxes, assessments or charges where none is imposed by law.

Section 505. Observance of Laws and Regulations. Subject to its right to contest in good faith, the City shall well and truly keep, observe and perform, or cause to be kept, observed and performed, all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City as such pertain to the Facilities, including its right to exist as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 506. Against Encumbrances or Sales. The City shall not create or suffer to be created any mortgage, deed of trust, pledge, security interest, lien, charge or encumbrance upon

the Facilities, or any part thereof, or the Revenues, whether now owned or hereafter acquired, other than as permitted in this Section 506 and other than Permitted Encumbrances. The City shall not issue any bonds or other obligations or incur obligations or suffer or permit to continue obligations (other than as permitted in the Second Installment Sale Agreement and other than Permitted Encumbrances) payable from Revenues, or secured by a pledge, lien or charge upon Revenues, superior to, or on a parity with, the pledge of the Revenues for payment of the Purchase Payments as set forth in this First Installment Sale Agreement. The City shall not sell or otherwise dispose of, or permit or suffer the sale or disposal of, the Facilities or any part thereof, other than as provided by the Second Installment Sale Agreement. Nothing herein shall be deemed to prevent the City from entering into the Second Installment Sale Agreement subject to this First Installment Sale Agreement and subject to the condition that any title granted by the City under the Second Installment Sale Agreement shall be subject to the full and final payment of Installment Payments as required thereunder.

Section 507. Prosecution and Defense of Suits. The City acknowledges that, pursuant to the Second Installment Agreement, the Corporation shall promptly take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Facilities whether now existing or hereafter developing and shall prosecute or cause to be prosecuted all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify or cause to be indemnified the City and its assignee for all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

The City acknowledges that, pursuant to the Second Installment Sale Agreement, the Corporation shall defend, or cause to be defended, every suit, action or proceeding at any time brought against the City or its assignee upon any claim arising out of the receipt, application or disbursement of any of the Revenues or involving the rights of the City or its assignee under this First Installment Sale Agreement; provided, however, that the City and its assignee at their election may appear in and defend any such suit, action or proceeding. The City acknowledges that, pursuant to the Second Installment Agreement, the Corporation shall indemnify or cause to be indemnified the City and its assignee against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. The agreement contained in the preceding sentence shall survive for a period of not to exceed the applicable statute of limitations period. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues against all claims and demands of all persons whomsoever.

Section 508. Recordation and Filing. The City shall record and file, or cause to be recorded and filed, all such documents as may be required by law (together with whatever else may be necessary or be reasonably required by the Corporation or its assignee), in such manner, at such times and in such places as may be required by law in order fully to preserve and protect the rights of the Corporation and its assignee under this First Installment Sale Agreement.

Section 509. Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or suffer or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force which may adversely affect its obligation to pay Purchase Payments from Revenues and the covenants contained in this First Installment Sale Agreement and the benefit and advantage of any such law is hereby expressly waived by the City to the extent that the City may legally make such waiver.

Section 510. Compliance with Conditions Precedent. As of the Closing Date, all conditions, acts and things required by law or by this First Installment Sale Agreement to have

happened or to have been performed precedent to or in the execution of this First Installment Sale Agreement shall exist, have happened and have been performed, and this First Installment Sale Agreement shall be within every limit prescribed by law.

Section 511. Power to Enter Into Agreement. The City is duly authorized to enter into this First Installment Sale Agreement and to pledge the Revenues in the manner and to the extent provided in this First Installment Sale Agreement. The provisions of this First Installment Sale Agreement are and will be the valid and legally enforceable special obligations of the City in accordance with the terms of this First Installment Sale Agreement.

Section 512. Further Assurances. Whenever and so often as requested so to do by the Corporation or its assignee, the City will promptly execute and deliver, or cause to be executed and delivered, all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order further and more fully to vest in the Corporation or its assignee, all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon the Corporation and its assignee by this First Installment Sale Agreement.

Section 513. Indemnification Due to the City and Trustee. The City acknowledges that, pursuant to the Second Installment Sale Agreement the Corporation shall pay reasonable fees and compensation due to the Trustee under the Trust Agreement upon periodic billing therefor by the Trustee to the Corporation. In addition, the City acknowledges that, pursuant to the Second Installment Sale Agreement, the Corporation shall agree, to the extent permitted by law, to indemnify and save the Trustee, the Owners and the City and their respective officers, employees, agents, members and directors harmless from and against all claims, losses and damages, including legal fees and expenses incurred by them in any action or proceeding brought by reason of any such claim arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Facilities by the Corporation, (ii) any breach or default on the part of the Corporation in the performance of any of its obligations under the Second Installment Sale Agreement, (iii) any act of negligence of the Corporation or of any of its agents, contractors, servants, employees or licensees with respect to the Facilities, (iv) any act of negligence of any assignee or sublessee of the Corporation or of any of its agents, contractors, servants, employees or licensees with respect to the Facilities, or (v) the authorization of payment of Delivery Costs, all to the extent permitted by law.

The City acknowledges that, pursuant to the Second Installment Sale Agreement, in the event that any action or proceeding is brought against the City or the Trustee or their respective officers, employees or agents by reason of any such claim or demand, the Corporation, upon notice from the City, the Owners or the Trustee, covenants to resist and defend such action or proceeding on demand of the City, the Owners or the Trustee or their respective officers, employees, agents, members and directors and that the Corporation also covenants and agrees, to the extent permitted by law, at its expense, to pay, and to indemnify the City, the Owners and the Trustee or their respective officers, employees, agents, members and directors from and against all costs, expenses and charges, including reasonable attorneys' fees, incurred in obtaining possession of the Facilities upon the occurrence of an Event of Default under the Second Installment Sale Agreement, or in enforcing any covenant or agreement of the Corporation contained in the Second Installment Sale Agreement. The City shall assure in the Second Installment Sale Agreement that the Corporation also agrees, to the extent permitted by law, to indemnify the City, the Owners and the Trustee or their respective officers, employees, agents, members and directors from and against any claim, loss, liability, expense, including legal expenses, or advance arising in connection with Trustee's administration of the trust created by the Trust Agreement and to pay to the Trustee all moneys to which the Trustee is entitled pursuant to the Trust Agreement.

Indemnification for any tort mentioned in this Section 513 shall be limited to the extent and in the amounts provided for by applicable law. Notwithstanding the foregoing, no indemnification will be made by the Corporation for willful misconduct under this First Installment Sale Agreement by the City or the Trustee or their respective officers, agents, employees, members, directors, successors or assigns. The City shall assure in the Second Installment Sale Agreement that the obligations of the Corporation thereunder shall be and remain valid and binding obligations of the Corporation notwithstanding payment in full of the Installment Payments, for a period of not to exceed the applicable statute of limitations period.

Section 514. Prohibited Uses. No portion of the proceeds received from the sale of the Certificates will be used to finance or refinance any facility, place or building used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship.

Section 515. Environmental Indemnity. The parties hereto acknowledge that the Corporation has, pursuant to Section 517 of the Second Installment Sale Agreement, provided indemnity to the City for environmental risks associated with the Facilities.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ASSIGNMENT; AMENDMENT

Section 601. Disclaimer of Warranties. Neither the Corporation nor its assignee make any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Facilities, or any portion thereof, or any other representation or warranty with respect to the Facilities, or any portion thereof. Except as is provided in the Second Installment Sale Agreement, in no event shall the Corporation or its assignee be liable for incidental, indirect, special or consequential damages, in connection with this First Installment Sale Agreement or the existence, furnishing, or functioning of the Facilities, or the City's or the Corporation's or any other person's use of the Facilities, except such damages as may arise by reason of the Corporation's breach of this First Installment Sale Agreement.

Section 602. Assignment. The Corporation's rights under this First Installment Sale Agreement, including the right to receive, and enforce the payment of, the Purchase Payments to be made by the City under this First Installment Sale Agreement, may be assigned and reassigned, in conformance with the terms and conditions of this First Installment Sale Agreement and the Trust Agreement, in whole to one or more assigns by the Corporation at any time, with the consent of the City and the Owners. The Corporation may assign its rights hereunder to the Trustee pursuant to the Second Assignment Agreement.

Section 603. Amendment. With the prior written consent of the Owners, this First Installment Sale Agreement may be amended in writing by the parties hereto or by their assignees on their behalf or in their name; provided, however, that no such amendment shall be made unless there is filed with the Trustee the opinion of Special Counsel to the effect that, under existing laws in effect on the date of the opinion, such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest component of Purchase Payments. No amendment hereof which affects the rights, duties or immunities of the Trustee will take effect without the express written consent of the Trustee.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 701. Default; Events of Default. Any one of the following which occurs shall constitute an Event of Default under this First Installment Sale Agreement:

(a) failure by the City to pay or cause to be paid any amounts required to be paid under Section 401 hereof when due; or

(b) failure of the City to observe and perform any covenant, condition or agreement on its part required to be observed or performed under this First Installment Sale Agreement, other than making the payments referred to in (a) above, which continues for a period of thirty (30) days after written notice from the Trustee or the Corporation, which notice shall specify such failure and request that it be remedied, unless the Corporation and the Trustee shall agree in writing to an extension of such time period; provided, however, that if the failure stated in the notice cannot be corrected within such period, the Corporation and the Trustee will not unreasonably withhold their consent to an extension of such time period if corrective action is instituted within such period and diligently pursued until the default is corrected; provided, however, that such failure or breach shall be cured within 120 days of such notice; or

(c) any of the representations or warranties of the City made herein or in the application filed with the City in connection with the Certificates was false or incorrect in any material respect when made; or

(d) an Act of Bankruptcy occurs with respect to the City; or

(e) the occurrence of an Event of Default under the Second Installment Sale Agreement or the Trust Agreement.

Section 702. Remedies on Default. (a) Whenever any Event of Default hereunder shall have occurred and shall continue, the Corporation, the Trustee or the Original Purchaser may take whatever action or institute any proceeding, at law or in equity, as may be necessary or desirable for the collection of the payments and other amounts then due, including Purchase Payments, and thereafter to become due hereunder or the enforcement of the performance and observance of any obligation, agreement or covenant of the City under this First Installment Sale Agreement, including but not limited to: (i) instituting and prosecuting to judgment or final decree and enforcing any such judgment or decree against the City and collect in the manner provided by law moneys decreed to be payable; and (ii) by injunctive and other equitable relief, to require the City to perform each of its obligations hereunder and to otherwise protect the Corporation's and the Original Purchaser's rights hereunder.

(b) In case the Trustee or the Corporation shall have proceeded to enforce its rights under this First Installment Sale Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Corporation, then, and in every such case, the City, the Trustee and the Corporation shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Corporation, the Trustee and the City shall continue as though no such action had been taken (provided, however, that any settlement of such proceedings duly entered into by the City, the Trustee or the Corporation shall not be disturbed by reason of this provision).

Section 703. Remedies. Upon the occurrence and continuation of an Event of Default, the

Trustee may (subject to the provisions of Sections 505 and 704 of the Trust Agreement) pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal and interest component of Purchase Payments and prepayment premium, if any, and to enforce and compel the performance of the duties and obligations of the City as herein set forth (for the avoidance of doubt, acceleration shall not constitute an optional prepayment upon which a prepayment premium shall be due). In addition, the Trustee may, without notice to the City or the Corporation, exercise any and all remedies afforded the City under Article VII of the Second Installment Sale Agreement in its name or the name of the City without the necessity of joining the City. Notwithstanding the foregoing provisions of this Section 703, under no circumstance will the exercise of any remedies granted herein result in the payment of any moneys by the City other than from Revenues.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of not less than a majority in aggregate principal amount payable with respect to Certificates then Outstanding and indemnified as provided in the Trust Agreement, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Section 703 and Section 702 hereof as the Trustee being advised by Counsel shall deem in the best interests of the Owners of the Certificates.

Section 704. Remedies Not Exclusive. No remedy by the terms of this First Installment Sale Agreement, the Second Assignment Agreement or the Trust Agreement conferred upon or reserved to the Trustee (or to the Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

Section 705. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this First Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver. The Corporation shall have no power to waive any Event of Default hereunder by the City without the consent of the Trustee to such waiver.

Section 706. Agreement to Pay Attorneys' Fees and Expenses. Upon an Event of Default under this First Installment Sale Agreement, if the City, the Owners or the Trustee employ attorneys or incur other expenses for the collection of Purchase Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Corporation or the City herein contained, the Corporation agrees that it will on demand therefor pay to the City, the Owners or the Trustee, as the case may be, the reasonable attorneys' fees and disbursements of such attorneys and such other expenses so incurred by the City, the Owners or the Trustee. The obligations of the Corporation hereunder shall be and remain valid and binding obligations of the Corporation, notwithstanding the payment of Installment Payments in full, for a period of not to exceed the applicable statute of limitations period.

ARTICLE VIII

ADMINISTRATIVE PROVISIONS

Section 801. Preservation and Inspection of Documents. All documents received by the Corporation or the City under the provisions of this First Installment Sale Agreement shall be retained in their respective possessions or that of their assignee and shall be subject at all reasonable times to the inspection of the other party hereto, any of whom may make copies thereof.

Section 802. Parties in Interest. Nothing in this First Installment Sale Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Corporation and its assignee, the City and its assignee any rights, remedies or claims under or by reason of this First Installment Sale Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this First Installment Sale Agreement contained by or on behalf of the Corporation or the City shall be for the sole and exclusive benefit of the Corporation and its assignee and the City and its assignee. Notwithstanding the foregoing, the Trustee shall be a third party beneficiary of this First Installment Sale Agreement for all purposes.

Section 803. No Recourse Under Agreement. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this First Installment Sale Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the payment of the Purchase Payments or for any claim based thereon or under this First Installment Sale Agreement against any officer, employee or agent of the parties hereto.

Section 804. Notices. All notices, Written Certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered or certified form with postage fully prepaid or by fax:

If to the Corporation:	Ampla Health 935 Market Street Yuba City, CA 95991 Attention: Chief Financial Officer Phone: (530) 674-4261
If to the City:	City of Yuba City 1201 Civic Center Boulevard Yuba City, CA 95993 Attention: Director of Finance and IT Phone: (530) 822-4792
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Services Phone: (415) 677-3593

To the Original Purchaser: First Foundation Bank
2233 Douglas Boulevard, Suite 300
Roseville, CA 95661
Attention: _____
Telephone: (916) ____-____

A copy of any notice, certificate or other communication given hereunder shall be provided to the Trustee. The parties hereto, by notice given hereunder, may, respectively, designate different addresses to which subsequent notices, certificates or other communications will be sent. Copies of all notices, Written Certificates or other documents to be delivered hereunder shall simultaneously be delivered to the Owner at the addresses set forth in the Certificate Register.

Section 805. Binding Effect. This First Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

Section 806. Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this First Installment Sale Agreement on the part of the Corporation or the City to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this First Installment Sale Agreement.

Section 807. Headings. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this First Installment Sale Agreement, nor shall they affect its meaning, construction or effect.

Section 808. Applicable Law. This First Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State.

Section 809. Corporation and City Representatives. Whenever under the provisions of this First Installment Sale Agreement the approval of the Corporation or the City is required or the Corporation or the City are required to take some action at the request of the other, such approval of such request may be given for the Corporation by an Authorized Representative of the Corporation and for the City by an Authorized Representative of the City, and any party hereto shall be authorized to rely upon any such approval or request.

Section 810. Form of Written Certificate of Officers. Every Written Certificate with respect to compliance with a condition or covenant provided for in this First Installment Sale Agreement and which is precedent to the taking of any action under this First Installment Sale Agreement shall include:

(a) A statement that the person making or giving such Written Certificate has read such covenant or condition and the definitions herein relating thereto;

(b) A brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Written Certificate are based;

(c) A statement that, in the opinion of the signer, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) A statement as to whether, in the opinion of the signer, such condition or covenant has been complied with.

A Written Certificate may be based, insofar as it relates to legal matters, upon a Written Certificate or opinion of or representations by counsel, unless the persons providing the Written Certificate know that the Written Certificate or representations with respect to the matters upon which the Written Certificate may be based are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 811. Business Days. Any act or thing required to be done or exist on any date set forth herein which does not constitute a Business Day in any year shall be deemed to be done or to exist on such date if such act or thing is done or exists on the next date which constitutes a Business Day.

Section 812. Execution in Counterparts. This First Installment Sale Agreement may be executed in counterparts and each of said counterparts shall be deemed an original for all purposes of this First Installment Sale Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Installment Sale Agreement to be executed in their respective names by their duly Authorized Representatives as of the date first above written.

AMPLA HEALTH

By _____
Name _____
Title _____

CITY OF YUBA CITY

By _____
Name _____
Title _____

EXHIBIT A
DESCRIPTION OF REAL PROPERTY

The land referred to herein is situated in Sutter County, State of California, described as follows:

931 and 935 Market Street, 1000 Sutter Street, Yuba City, CA

TRACT A:

PARCEL A-1:

PARCELS 2 AND 3 AS SHOWN ON PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

APN: 51-550-030 & 51-550-031

PARCEL A-2:

A CROSS ACCESS EASEMENT OVER PARCEL 4 OF PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

TRACT B:

PARCEL B-1:

PARCEL 1 AS SHOWN ON PARCEL MAP NO. 1073, FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, ON OCTOBER 4, 2004, IN BOOK 7 OF PARCEL MAPS, AT PAGE 43.

APN: 51-550-039

PARCEL B-2:

A CROSS ACCESS EASEMENT OVER PARCEL 4 OF PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

EXHIBIT B

PURCHASE PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component*</u>	<u>Total</u>
2/1/21			
8/1/21			
2/1/22			
8/1/22			
2/1/23			
8/1/23			
2/1/24			
8/1/24			
2/1/25			
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8/1/36			
2/1/37			
8/1/37			
2/1/38			
8/1/38			
2/1/39			
8/1/39			
2/1/40			
8/1/40			

* The applicable interest rate is ___% per annum. If the Default Rate or the Taxable Rate is in effect, interest will be computed by applying such alternate rate.

ATTACHMENT 4

SECOND INSTALLMENT SALE AGREEMENT

by and between the

CITY OF YUBA CITY

and

AMPLA HEALTH

Dated as of August 1, 2020

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SECOND INSTALLMENT SALE AGREEMENT

This SECOND INSTALLMENT SALE AGREEMENT (this "Second Installment Sale Agreement") is dated as of August 1, 2020, by and between the CITY OF YUBA CITY (herein called the "City"), a municipal corporation and general law city organized existing under the laws of the State of California, and AMPLA HEALTH, Visalia, California (herein called the "Corporation"), a nonprofit public benefit corporation organized and existing under the laws of the State of California;

WITNESSETH:

In consideration of the mutual covenants hereinafter contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section 101. Definitions. Unless the context clearly otherwise requires, all capitalized terms used herein shall have the meanings assigned to such terms in the Trust Agreement, dated as of August 1, 2020, by and among the City, the Corporation and U.S. Bank National Association, as trustee (the "Trustee"), as originally executed or as it may, from time to time, be supplemented, modified or amended as provided therein (the "Trust Agreement"). The term "Agreement" as used herein shall mean this Second Installment Sale Agreement, unless the context clearly requires some other meaning.

Section 102. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

(b) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Second Installment Sale Agreement, all refer to this Second Installment Sale Agreement.

(c) For all purposes of this Second Installment Sale Agreement, reference to the "assignee" of the City means the Trustee acting, pursuant to the First Assignment Agreement on behalf of the Owners of the Certificates delivered pursuant to the Trust Agreement.

ARTICLE II

RECITALS; REPRESENTATIONS AND WARRANTIES

Section 201. Status and Powers of the City. The City is a municipal corporation and general law city and is authorized by the California Government Code to purchase and receive real property and personal property and to control and dispose of it for the common benefit and in furtherance of its public purposes.

Section 202. Status and Powers of the Corporation. The Corporation is a nonprofit public benefit corporation organized and existing for the purpose of operating a health facility, is an organization that meets the requirements of section 501(c)(3) of the Code and is authorized to purchase and hold real property and personal property.

Section 203. Purpose of Agreement. In furtherance of its authorized purposes, the City desires to convey and sell the Facilities to the Corporation and the Corporation desires to acquire and purchase the Facilities from the City. The purpose of this Second Installment Sale Agreement is to accomplish such transfer.

Section 204. Related Agreements. The parties hereto acknowledge the following related agreements:

(a) the First Installment Sale Agreement pursuant to which the Corporation grants, conveys and sells the Facilities to the City and the City agrees to make Purchase Payments therefor;

(b) the First Assignment Agreement pursuant to which the City assigns all of its rights and remedies under this Second Installment Sale Agreement to the Trustee as security for the City's obligation to make Purchase Payments under the First Installment Sale Agreement;

(c) the Second Assignment Agreement pursuant to which the Corporation assigns to the Trustee all of its rights and remedies under the First Installment Sale Agreement; and

(d) the Trust Agreement pursuant to which the Trustee, the Corporation and the City agree to implement the First Installment Sale Agreement by providing for the delivery of Certificates, for the administration of funds and for the exercise of rights and remedies;

Section 205. No Merger. The parties acknowledge that the Corporation constitutes the purchaser of the Facilities under this Second Installment Sale Agreement and the seller of the Facilities under the First Installment Sale Agreement. The First Installment Sale Agreement and this Second Installment Sale Agreement represent, and in all respects of any nature whatsoever shall always represent, be interpreted as and constitute, separate and distinct obligations. Under no circumstances whatsoever shall a merger of the roles or the obligation of the Corporation as purchaser under this Second Installment Sale Agreement and seller under the First Installment Sale Agreement occur or be deemed to occur by reason of the City's assignment to the Trustee under the First Assignment Agreement of its rights against the Corporation under this Second Installment Sale Agreement, or otherwise.

Section 206. Representations and Warranties of the Authority. The City makes the following representations and warranties:

(a) The City is a municipal corporation and general law city duly organized and existing under the laws of the State and is duly authorized to perform its obligations under the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement and the First Assignment Agreement.

(b) All requirements have been met and procedures have occurred in order to authorize the execution and delivery of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement and the First Assignment Agreement. The City has taken all necessary action and has complied with all provisions of the law required to make the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement and the First Assignment Agreement valid and binding limited obligations of the City, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the City that (i) affects or seeks to prohibit, restrain or enjoin the execution and delivery of the Certificates, or the execution and delivery of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement and the First Assignment Agreement, (ii) affects or questions the validity or enforceability of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement and the First Assignment Agreement or (iii) questions the tax-exempt status of interest with respect to the Certificates.

Section 207. Representations and Warranties of the Corporation. The Corporation represents and warrants to the Authority and the Original Purchaser that, as of the date of execution of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement and as of the date of delivery of the Certificates to the Original Purchaser thereof (such representations and warranties to remain operative and in full force and effect regardless of the execution and delivery of the Certificates or any investigations by or on behalf of the City or the results thereof):

(a) *Organization/Authority.* The Corporation is a nonprofit, public benefit corporation duly organized and in good standing under the laws of the State and has full legal right, power and authority to enter into the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement and to carry out and consummate all transactions contemplated thereby and by proper corporate action has duly authorized the execution, delivery and performance of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement.

(b) *Execution/Delivery.* The Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement have been duly authorized, executed and delivered by the Corporation.

(c) *Enforceability.* This Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their terms for the benefit of the Owners of the Certificates; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable

principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(d) *No Conflicts*. The execution and delivery of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation, bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) *No Other Consents*. No consent or approval of any trustee or holder of any indebtedness of the Corporation or any guarantor of indebtedness of or other provider of credit or liquidity to the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation*. There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Corporation, after reasonable investigation, threatened, against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by or the validity of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation.

(g) *Disclosures Accurate*. No written information, exhibit or report furnished to the City and the Original Purchaser by the Corporation in connection with the negotiation of the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement, and no official statement or other offering document in connection with the delivery of the Certificates, if any, as of its date or as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) *Financial Condition*. All financial statements and information heretofore delivered to the City and the Original Purchaser by the Corporation, including without limitation, information relating to the financial condition of the Corporation, the Project, the partners, joint

venturers or members of the Corporation, and/or any guarantor, fairly and accurately present the financial position thereof and have been prepared (except where specifically noted therein) in accordance with generally accepted accounting principles consistently applied. Since the date of such statements, there has been no material adverse change in the financial condition or results of operations of the Corporation or the other subjects of such statements.

(i) *Title to Facilities.* The Corporation has good and marketable title to the Facilities free and clear from all encumbrances other than Permitted Encumbrances.

(j) *No Defaults.* The Corporation is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) (1) under the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement, or (2) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default could reasonably be expected to have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement, or the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in material default (and no event has occurred and is continuing which, with the giving of notice or the passage of time or both, could constitute a material default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement or the financial condition, assets, properties or operations of the Corporation or its properties. All tax returns (federal, state and local) required to be filed by or on behalf of the Corporation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Corporation in good faith, have been paid or adequate reserves have been made for the payment thereof, which reserves, if any, are reflected in the financial statements described in subsection (i) of this Section 207. As of the date of initial execution and delivery of the Certificates, the Corporation will have good and marketable title to the Facilities, free and clear from all encumbrances other than Permitted Encumbrances.

(k) *No Reliance on City for Advice.* The Corporation acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the refinancing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which the Corporation is a party or of which it is a beneficiary, including the Indenture; that it understands the risks inherent in such transactions; and that it has not relied on the City for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Trust Agreement, the First Installment Sale Agreement, this Second Installment Sale Agreement, the Deed of Trust and the Second Assignment Agreement or otherwise relied on the City for any advice.

(l) *No Use by Nonexempt Person.* No portion of the proceeds of the Certificates is or at any time will be used by any person that is not an "exempt person" within the meaning of the Code and the regulations proposed and promulgated thereunder, or by a governmental unit or a 501(c)(3) organization (including the Corporation) in an "unrelated trade or business" within the meaning of Section 513(a) of the Code and the regulations proposed and promulgated thereunder, in such manner or to such extent as would result in loss of exclusion from gross income for federal tax purposes of interest with respect to any of the Certificates under Section 103 of the Code.

(m) *Nonprofit Status of Corporation.* The Corporation is an organization described in Section 501(c)(3) of the Code, does not constitute a private foundation under Section 509(a) of the Code, and the income of the Corporation is exempt from federal taxation under Section 501(a) of the Code. The Corporation has received a determination from the Internal Revenue Service to the foregoing effect, and none of the bases for such determination have changed since the date thereof.

(n) *Anti-Terrorism Laws.* The Corporation 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:

(i) The Corporation 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 owned or 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;

(ii) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(A) 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;

The Corporation does not (x) 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 (i)(B) above, (y) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (z) engages 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.”

(o) *ERISA.* Each ERISA Plan has been established and heretofore maintained by the Corporation in compliance in all material respects with the applicable provisions of ERISA and the Code. To the knowledge of the Corporation, no ERISA Plan has engaged in a prohibited transaction, and compliance by the Corporation with the provisions of this Loan Agreement will not involve any prohibited transaction that would subject the Corporation to a tax or penalty on prohibited transactions. No ERISA Plan that is subject to Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code has had an accumulated funding deficiency, whether or not waived as of the last day of the most recent plan year of such ERISA Plan ended prior to the date hereof. No liability to the PBGC has been, or is expected by the Corporation to be, incurred by the Corporation with respect to any ERISA Plan subject to Title IV of ERISA, other than for premium payments. There has been no material Reportable Event with respect to any ERISA

Plan subject to Section 4043 of ERISA since the effective date of said Section 4043, and since such date no event or condition has occurred that presents a material risk of termination of any such ERISA Plan by the PBGC. As of the most recent valuation date, the present value of all vested accrued benefits under each ERISA Plan subject to Title IV of ERISA as determined by each ERISA Plan's enrolled actuary within the meaning of Section 103 of ERISA under actuarial assumptions used in connection with the actuarial valuation of each such ERISA Plan did not exceed the value of such ERISA Plan's assets (less all liabilities other than those attributable to accrued benefits), as determined by each such enrolled actuary, allocable to such vested accrued benefits by more than \$1,000,000. Neither the Corporation nor any Common Control Entity has incurred any withdrawal liability in connection with a Multiemployer Plan which has not yet been paid. As used in this paragraph, the terms PBGC, "Common Control Entity" and "Multiemployer Plan" shall have the respective meanings ascribed thereto in Section 5.11(d) of this Second Installment Sale Agreement.

ARTICLE III

SALE OF THE FACILITIES

Section 301. Sale of the Facilities. In consideration of the payment by the Corporation to the City or its assignee of the Installment Payments, the City hereby grants, conveys and sells to the Corporation, the Facilities.

Section 302. Title. Title to the Facilities shall vest in the Corporation pursuant to the conveyance made by Section 301, subject to Permitted Encumbrances.

Section 303. Payment of Delivery Costs. The Corporation acknowledges that payment of Delivery Costs shall be made from moneys deposited in the Delivery Costs Account. Delivery Costs shall be disbursed in accordance with the provisions relating thereto contained in the Trust Agreement. On November 11, 2020, unexpended moneys remaining in the Delivery Costs Account shall be deposited in the Purchase Payment Account.

Section 304. Payment of Project Costs. The Corporation acknowledges that payment of Project Costs shall be made from moneys deposited in the Project Account. Project Costs shall be disbursed in accordance with the provisions relating thereto contained in the Trust Agreement. Upon completion of the Project, as certified by the Corporation to the Trustee, unexpended moneys remaining in the Project Account shall be transferred to the Purchase Payment Account.

Section 305. Grant of Right of Entry. In order to enable the City or its assignee to provide for enforcement of remedies hereunder and under the First Installment Sale Agreement upon an Event of Default, the Corporation hereby grants to the City and its assignee a right to enter the Facilities and a right, following the occurrence of, but only during the continuation of, an Event of Default, to do and perform all acts necessary or appropriate thereon for the aforesaid purposes. The Corporation represents that it is empowered to grant such right of entry and that such grant does not violate the terms of any agreement to which it is a party, and acknowledges that, pursuant to the terms of the First Installment Sale Agreement, the City is granting such right of entry to the Corporation and its assignee.

ARTICLE IV

INSTALLMENT PAYMENTS; SECURITY

Section 401. Installment Payments.

(a) In consideration of the City's conveyance to the Corporation by the terms of this Second Installment Sale Agreement of title to the Facilities, the Corporation shall pay to the Owners, for the account of the City, the Installment Payments set forth in Exhibit B attached hereto and by this reference incorporated herein, as Exhibit B may from time to time be amended in accordance with the terms of this Second Installment Sale Agreement.

The Installment Payments shall be payable and shall be due for the Payment Dates specified in said Exhibit B. The City directs that the Corporation shall make the Installment Payments directly to the Owner.

(b) The Corporation agrees to pay to the party entitled thereto, to the extent not previously paid from the proceeds of the Certificates, each of the following as an "Additional Payment":

(i) All taxes and assessments of any type or character charged to the City, to the Trustee or to the Original Purchaser affecting the amount available to the City or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the City or the Trustee, at the Corporation's expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the City, the Trustee or the Original Purchaser;

(ii) All reasonable fees, charges and expenses of the Trustee for services rendered under the Trust Agreement and all amounts referred to in Section 502 of the Trust Agreement, as and when the same become due and payable;

(iii) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the City, the Trustee or the Original Purchaser to prepare audits, financial statements, reports, opinions or provide such other services required under the Financing Documents or the Trust Agreement; and

(iv) The reasonable fees and expenses of the City or any agent or attorney selected by the City to act on its behalf in connection with the Financing Documents, the Certificates or the Trust Agreement, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Certificates or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving this Second Installment Sale Agreement, the Financing Documents, the Certificates or the Trust Agreement or any of the other documents contemplated thereby, or in connection with the reasonable

supervision or inspection of the Corporation, the Facilities, its other properties, assets or operations or otherwise in connection with the administration of the Financing Documents.

(v) Any amounts due and payable by the Corporation as arbitrage rebate under Section 148 of the Code, pursuant to Corporation's covenants and agreements with respect thereto in the Loan Agreement or the Tax Compliance Certificate.

Such Additional Payments shall be billed to the Corporation by the City or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the City or the Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Corporation within thirty (30) days after the date of invoice. Notwithstanding the foregoing, the City shall not be required to submit a bill to the Corporation for any amounts due with respect to arbitrage rebate under Section 148 of the Code, the calculation and payment for which is the responsibility of the Corporation.

(c) Installment Payments have been calculated based upon the interest portion of the Certificate payments being excludable from gross income for federal, state and local income tax purposes. If, based upon an opinion of nationally recognized bond counsel, the Owners are no longer entitled to exclude the interest portion of the Certificate payments from their respective gross income for federal, state and local income tax purposes, the Owners, at the Owners' option, shall recalculate the Installment Payments for the remaining term of this Second Installment Sale Agreement and/or extend the original term of this Second Installment Sale Agreement, as permitted by law, to protect the Owners' originally anticipated after tax yield from the Closing Date to the final maturity of the Certificates. Such recalculations shall be on the basis that the interest portion of the Certificate payments is subject to (a) federal income tax at the highest marginal corporate tax rate or such other corporate tax rate that is then applicable to the Owners and (b) state and local income tax at the highest marginal corporate tax rate or other similar tax rate as may be applicable in each state or locality, as applicable. In such event, the City authorizes the Owners to correct the Installment Payment schedule set forth in Exhibit B attached hereto (and all related documentation) to reflect such changes, and the Corporation, if requested by the Owners, shall execute an amendment to Exhibit B hereto prepared by the Owners to reflect such changes.

Section 402. Interest Component. A portion of each Installment Payment is paid as, and represents payment of, interest. The interest component of each Installment Payment is set forth in Exhibit B.

Section 403. Payment in Lawful Money; No Set-Off. Each Installment Payment shall be paid by the Corporation in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to the Owner. So long as First Foundation Bank is the Owner, and notwithstanding any provision in the Trust Agreement or this Second Installment Sale Agreement to the contrary, all payments of principal of and any interest on any Certificate registered in the name of the Original Purchaser shall be made to the Original Purchaser directly by the Corporation by electronic wire transfer in immediately available funds directly for credit to the ABA routing number and account number filed by the Original Purchaser with the Trustee and the Corporation on the Closing Date, and without payment by the Corporation to the Trustee (without any presentment of such Certificate, except upon payment of the final installment of principal, and without any notation of such payment being made thereon).

Any subsequent Owner shall provide its ABA routing number and account number to the Corporation and such account shall be used in place of the account provided by the Original Purchaser.

Interest with respect to any such Installment Payment which shall not be paid on the Payment Date to which such Installment Payment pertains shall be payable at the rates reflected by the interest component of Installment Payments from said Payment Date until the same shall be paid. Notwithstanding any dispute between the Corporation and the City, the Corporation shall make or cause to be made each and all Installment Payments when due and shall not withhold or permit to be withheld any Installment Payments pending the final resolution of such dispute nor shall the Corporation assert nor permit to be asserted any right of set-off or counter-claim against the obligation to make Installment Payments as set forth herein. The Corporation hereby agrees to perform all of its obligations, covenants and agreements hereunder without notice or demand. Nothing in this Second Installment Sale Agreement shall be construed as a waiver by the Corporation of any right or claim the Corporation may have against the City or its assignee under this Second Installment Sale Agreement or otherwise, but any recovery resulting from such right or claim shall be had from the City or its assignee separately, it being the intent of this Second Installment Sale Agreement that the Corporation be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Second Installment Sale Agreement.

Section 404. Prepayment.

(a) Subject to the terms and conditions of this Section 404 the City hereby grants an option to the Corporation to prepay the principal component of Installment Payments payable on and after February 1, 2029, in whole on any date, at prepayment prices corresponding to the redemption prices of the Certificates as set forth in the Trust Agreement.

Said option shall be exercised by the Corporation by giving written notice to the City, the Owner and the Trustee of the exercise of such option at least forty-five (45) days prior to said prepayment date.

(b) The City hereby grants an option to the Corporation to prepay the principal component of Installment Payments in whole on any date, or in part on any Payment Date, from net proceeds of insurance or condemnation awards received with respect to the Facilities and not used for repair, restoration or replacement, at a prepayment price of the principal amount to be prepaid, plus accrued interest to the prepayment date, without premium.

(c) In the event of prepayment of Installment Payments in part pursuant to subsection (b) above, the partial prepayment shall be applied by the City or its assignee against the principal

component of Installment Payments in inverse order of their Payment Dates, and the Corporation shall prepare or cause to be prepared an amended Exhibit B setting forth the revised schedule of Installment Payments reflecting said partial prepayment. For the avoidance of doubt, no interest component shall be due in connection with Installment Payments for which the principal component was prepaid other than accrued interest to the payment date.

Section 405. Advance Security Deposit. Notwithstanding any other provision of this Second Installment Sale Agreement, the Corporation may, on any date, secure the payment of all or a portion of the Installment Payments by a deposit with the Trustee, as escrow holder under an escrow deposit and trust agreement as referenced in Section 902 of the Trust Agreement, of: (a) in the case of a security deposit relating to all Installment Payments, either (i) an amount which, together with amounts on deposit in the Trust Fund and the accounts therein and in the Redemption Fund, is sufficient to pay all unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit B as then applicable, or (ii) non-callable Federal Securities, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, without reinvestment thereof, and, if required, all or a portion of moneys or Federal Securities then on deposit and interest earnings thereon in the Trust Fund and the accounts therein, be fully sufficient to pay all unpaid Installment Payments on their Payment Dates; or (b) in the case of a security deposit relating to a portion of the Installment Payments both (i) a Written Certificate executed by an Authorized Representative of the Corporation designating the portion of the Installment Payments to which the deposit pertains, and (ii) non-callable Federal Securities, together with cash, if required, in such amount as will, together with amounts, if any, available to be released from the Trust Agreement (which availability shall be based upon an opinion of counsel whose opinions are customarily accepted in the marketing of tax-exempt securities to the effect that such release of moneys will not adversely affect the tax exemption for federal income tax purposes of the interest component of the Installment Payments) in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay the portion of the Installment Payments designated in the aforesaid Authorized Representative's Written Certificate.

In the event of a deposit pursuant to this Section 405 as to all Installment Payments, all obligations of the Corporation under this Second Installment Sale Agreement, and all security provided by this Second Installment Sale Agreement for said obligations, including but not limited to all rights and interest provided pursuant to the First Assignment Agreement, shall cease and terminate, excepting only the obligation of the Corporation to make, or cause to be made, Installment Payments from the deposit made by the Corporation pursuant to this Section 405. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Second Installment Sale Agreement. Upon said deposit the City or its assignee will execute or cause to be executed a reconveyance of any and all documents as may be necessary to evidence the release of security provided for hereby and to confirm title to the Facilities in the Corporation.

Section 406. Obligations of the Corporation Unconditional; Net Contract. The obligations of the Corporation to make the Installment Payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Installment Payments remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Facilities, commercial frustration

of purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the City or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Second Installment Sale Agreement, the First Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement or the Trust Agreement. This Second Installment Sale Agreement shall be deemed and construed to be a "net contract," and the Corporation shall pay absolutely net the Installment Payments and all other payments required hereunder, regardless of any rights of set-off, recoupment, abatement or counterclaim that the Corporation might otherwise have against the City or the Trustee or any other party or parties.

Section 407. Deed of Trust.

(a) In order to further secure the payment and performance of all obligations of the Corporation under this Second Installment Sale Agreement, the Corporation agrees to execute and deliver the Deed of Trust and such other deed of trust as may be necessary from time to time to grant the Trustee a first priority lien upon the Pledged Property. The Corporation hereby covenants and agrees to grant, concurrently with the delivery of the Certificates, a lien on the Pledged Property pursuant to the Deed of Trust; provided that the lien of such Deed of Trust will be subject to Permitted Encumbrances. The Corporation hereby covenants and agrees that, simultaneously with the delivery of the Certificates, the Corporation will deliver to the Trustee a mortgagee title insurance policy on the Pledged Property in an amount equal to the aggregate outstanding principal amount of the Certificates.

(b) The Corporation hereby represents and warrants that (i) each portion of the Pledged Property is an essential asset of the Corporation, and (ii) if any portion of the Pledged Property is vacated in compliance with Section 518 hereof, the Corporation shall replace such portion of the Pledged Property with a similar property of equal or greater value as portion of the Pledged Property and shall be responsible for all costs related to such substitution, including, but not limited to, reasonable attorney fees of the Original Purchaser.

ARTICLE V
COVENANTS

Section 501. Right of Access to the Facilities. The Corporation agrees that during the term of this Second Installment Sale Agreement the City, the Trustee and the Original Purchaser and the duly authorized agents of any of them, shall have the right (but not the duty) at all reasonable times during normal business hours to enter, examine and inspect the Facilities. The rights of access hereby reserved to the City, the Trustee and the Original Purchaser and their respective authorized agents may be exercised only after the party seeking such access shall have given reasonable advance notice and executed release of liability (which release shall not limit any of the Corporation's obligations hereunder) agreements if requested by the Corporation in the form then currently used by the Corporation.

Section 502. Corporation's Maintenance of Its Existence; Consolidation, Merger, Sale or Transfer Under Certain Conditions.

(a) The Corporation agrees that during the term of this Second Installment Sale Agreement and so long as any Certificate is Outstanding, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it; provided, that the Corporation may, without violating the agreements contained in this Section 502, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation or an agency of the State all or substantially all of its assets as an entirety and thereafter dissolve, so long as, following such consolidation or merger, based upon the most recent audited financial statements of the Corporation and such other entity, combined Net Revenues Available for Debt Service shall be at least 1.50 times combined Annual Debt Service (including any debt service that has been incurred since the date of the audited financial statements and any debt service related to the consolidation or merger) and combined Days Cash on Hand shall be at least 50 or such lesser coverage ratio or Days Cash on Hand with the prior written consent of the Original Purchaser; provided, that in the event the Corporation is not the surviving, resulting or transferee corporation, as the case may be, that the surviving, resulting corporation, or the transferee of all or substantially all of the Corporation's assets (i) is a corporation (1) organized under the laws of the United States or any state, district or territory thereof; (2) is qualified to do business in the State; and (3) is an organization described in Section 501(c)(3) of the Code, or a corresponding provision of the federal income tax laws then in effect; and (ii) assumes in writing all of the obligations of the Corporation under this Second Installment Sale Agreement. Notwithstanding the foregoing, as a condition precedent to any consolidation, merger, sale or other transfer, the Trustee, the City and the Original Purchaser shall receive (A) an Opinion of Special Counsel to the effect that such merger, consolidation, sale or other transfer will not in and of itself affect the Tax-Exempt status of interest on the Certificates and (B) an Opinion of Counsel reasonably acceptable to the City to the effect that after such merger, consolidation, sale or other transfer, this Second Installment Sale Agreement is a valid and binding obligation of the surviving, resulting or transferee corporation, enforceable according to its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, or by the application of equitable principles if equitable remedies are sought, and the security interest created in this Second Installment Sale Agreement will not be adversely affected by such sale or other transfer.

Notwithstanding any other provision of this Section 502(a), the Corporation need not comply with any of the provisions of the first paragraph of this Section 502(a) if, at the time of any transaction not satisfying the terms of the first paragraph of this Section 502(a), provision for the payment of all Outstanding Certificates will be made as provided in Article VIII of the Trust Agreement.

(b) If a merger, consolidation, sale or other transfer is effected, as provided in this Section 502, the provisions of this Section 502 shall continue in full force and effect and no further merger, consolidation, sale or transfer shall be effected except in accordance with the provisions of this Section 502.

(c) Another entity may also agree to become a co-obligor and jointly and severally liable with the Corporation (without the necessity of merger, consolidation or transfer of assets) under this Second Installment Sale Agreement if the foregoing provisions are satisfied. In such event, references in this Second Installment Sale Agreement to indebtedness of the Corporation shall apply to the combined indebtedness of the Corporation and such other entity, references to the financial condition or results of operation of the Corporation shall apply to the combined financial condition and results of operation of the Corporation and such other entity, and the Corporation and such other entity shall be considered to be the Corporation for all purposes of this Second Installment Sale Agreement.

Section 503. Records and Financial Statements of Corporation and Reporting of Other Information. The Corporation will furnish the following to the City, the Original Purchaser and the Trustee, as specified below, so long as any Certificates remain Outstanding:

(a) its audited financial statements certified by an independent public accountant selected by the Corporation as of the end of each of its fiscal years, as soon as accepted by its Board, or the Finance or Executive Committee, or equivalent, thereof, but in any event within 150 days after the end thereof, together with a certificate of the Corporation that no Event of Default is then existing and that the representations and warranties of the Corporation set forth in the Financing Documents are then true and correct;

(b) as soon as possible and in any event within thirty (30) days after the Corporation knows or has reason to know that any event, which would constitute a Reportable Event (as defined in ERISA) with respect to any ERISA Plan, has occurred, or that the PBGC (as that term is defined in Section 15(c) of ERISA) or the Corporation has instituted or will institute proceedings under Title IV of ERISA to terminate any ERISA Plan, a certificate of the chief financial officer of the Corporation setting forth details as to such Reportable Event and the action which the Corporation proposes to take with respect thereto, together with a copy of any notice of such Reportable Event which may be required to be filed with the PBGC, or any notice delivered by the PBGC evidencing its intent to institute such proceedings or any notice to the PBGC that any ERISA Plan is to be terminated, as the case may be. For all purposes of this covenant, the Corporation will be deemed to have all knowledge or knowledge of all facts attributable to the ERISA Plan administrator. The Corporation will furnish the City and the Trustee (or cause the ERISA Plan administrator to furnish the City and the Trustee) with the annual report for each ERISA Plan covered by Title IV and filed with the Internal Revenue Service not later than ten (10) days after such report has been filed with the PBGC;

(c) unaudited interim financial statements as available, but at least quarterly, within 30 days of their availability;

(d) the Corporation's annual budget within 45 days of adoption;

(e) immediate notice of any event occurring that materially impacts the Corporation's financial position, including, but not limited to, notice of any threatened termination of any accreditation material to the activities of the Corporation or the commencement of any litigation or other governmental or judicial proceeding in which an outcome adverse to the Corporation could result in a judgment in excess of available insurance coverage or otherwise have a material adverse effect on the operations or financial condition of the Corporation, and any other event which reasonably could be expected to have a material adverse effect on the operations or financial condition of the Corporation, within five (5) Business Days after the Corporation has knowledge of such threatened termination, the commencement of such litigation or proceeding or the occurrence of such other event;

(f) Fifteen days prior written notice of new Indebtedness with calculations and certifications, including certifications of covenant compliance or an estimate if actual data is not yet available; and

(g) Upon the request of the City, the Original Purchaser or the Trustee, the Corporation shall promptly furnish such other information regarding the financial position, results of operations, business or prospects of the Corporation as such party may reasonably request from time to time.

Section 504. Maintenance and Repair; Taxes, Utility and Other Charges. The Corporation agrees to maintain, or cause to be maintained, the Facilities (i) in as reasonably safe condition as its operations shall permit and (ii) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

The Corporation agrees that as between the City and the Corporation, the Corporation will pay or cause to be paid all taxes and governmental charges of any kind lawfully assessed or levied upon the Facilities or any part thereof, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facilities, provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Corporation, to the extent described above, shall be obligated to pay or cause to be paid only such installments as are required to be paid during the term of this Second Installment Sale Agreement. The Corporation may, at the Corporation's expense and in the Corporation's 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 that period of such contest and any appeal therefrom unless by such nonpayment the Facilities or any part thereof will be subject to loss or forfeiture.

Section 505. Qualification in California. The Corporation agrees that throughout the term of this Second Installment Sale Agreement it, or any successor or assignee as permitted by Section 502, will be qualified to do business in the State.

Section 506. Tax-Exempt Status of Interest with Respect to the Certificates.

(a) It is the intention of the parties hereto that interest with respect to the Certificates shall be and remain Tax-Exempt, and to that end the covenants and agreements of the City and the Corporation in this Section 506 and the Tax Agreement are for the benefit of the Trustee and each and every Person who at any time will be an Owner of Certificates.

(b) Each of the Corporation and the City covenants and agrees that it will not directly or indirectly use or permit the use of any proceeds of the Certificates or other funds or take or omit to take any action that will cause any Certificate to be an “arbitrage bond” within the meaning of Section 148 of the Code. Each of the Corporation and the City further covenants and agrees that it will not direct the Trustee to invest any funds held by it under the Trust Agreement or this Second Installment Sale Agreement, in such manner as would, or enter into or allow any related person to enter into any arrangement (formal or informal) that would, cause any Certificate to be an “arbitrage bond” within the meaning of Section 148(a) of the Code. To such ends with respect to the Certificates, the City and the Corporation will comply with all requirements of Section 148 of the Code to the extent applicable to the Certificates. In the event that at any time the City or the Corporation is of the opinion that for purposes of this Section 506(b) it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Second Installment Sale Agreement or the Trust Agreement, the City or the Corporation shall so instruct the Trustee in writing and the Trustee shall comply with such written instructions.

Without limiting the generality of the foregoing, the Corporation and the City agree that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any applicable Treasury Regulations. This covenant shall survive payment in full of the Certificates or provision for the payment of the Certificates in accordance with the Trust Agreement. The Corporation specifically covenants to calculate or cause to be calculated and to pay or cause to be paid for and on behalf of the City to the United States of America at the times and in the amounts determined under Section 408 of the Trust Agreement the Rebate Requirement as described in the Tax Agreement, and under no circumstance shall payment of the Rebate Requirement be the obligation of the City.

(c) The City certifies, represents and agrees that it has not taken, and will not take, any action which will cause interest paid on the Certificates to become includable in gross income of the Owners of the Certificates for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code; and the Corporation certifies and represents that it has not taken or, to the extent within its control, permitted to be taken, and the Corporation covenants and agrees that it will not take or, to the extent within its control, permit to be taken any action which will cause the interest on the Certificates to become includable in gross income of the Owners of the Certificates for federal income tax purposes pursuant to such provisions of the Code. The Corporation acknowledges having read Section 408 of the Trust Agreement and agrees to perform all duties imposed on it by such Section, by this Section and by the Tax Agreement. Insofar as Section 408 of the Trust Agreement and the Tax Agreement impose duties and responsibilities on the Corporation, they are specifically incorporated herein by reference.

(d) Notwithstanding any provision of this Section 506, Section 408 of the Trust Agreement or any provision of the Tax Agreement, if the Corporation shall provide to the City and the Trustee an Opinion of Bond Counsel that any specified action required under this Section 506, Section 408 of the Trust Agreement or any provision of the Tax Agreement is no longer required or that some further or different action is required to maintain the Tax-Exempt status of interest on the Certificates, the Corporation, the Trustee, the Original Purchaser and the City may conclusively rely on such opinion in complying with the requirements of this Section 506, Section 408 of the Trust Agreement and the provisions of the Tax Agreement; and the covenants contained in this Section 506, Section 408 of the Trust Agreement and the Tax Agreement shall be deemed to be modified to that extent.

Section 507. Insurance. So long as any Certificates remain Outstanding:

(a) The Corporation covenants and agrees that it will keep (or cause to be kept) insurance against any casualty loss or damage to any structure constituting any part of the Facilities, including losses caused by fire and lightning with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by terrorism, explosion, windstorm, riot, terrorism, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. All insurance provided pursuant to this subsection shall be in an amount equal to the greater of: (i) one hundred percent (100%) of the replacement cost (without deduction for depreciation) of all buildings, structures and fixtures constituting any part of the Facilities, or (ii) the principal amount of the Certificates then remaining unpaid (except that casualty insurance may be subject to deductible clauses of not to exceed \$100,000). Each requirement of this Section 507 shall apply to the extent that the requisite coverage actually exists in the marketplace.

(b) The Corporation covenants and agrees to procure and maintain at all times such other insurance on the Facilities and all operations thereon (including, without limitation, liability insurance, business interruption insurance, professional liability insurance, and Director's and Officers' omissions coverage of the types and in the amounts reviewed and recommended by the independent insurance consultant described below and acceptable to the Original Purchaser; provided, however, the Corporation shall not be required to obtain earthquake insurance with respect to the Facilities if such insurance cannot be obtained at commercially reasonable rates. The amount of business interruption insurance shall be based on the Corporation's budgeted revenues and debt service requirements.

(c) Self-insurance may be maintained by the Corporation in lieu of purchasing an insurance policy for liability if:

(i) The Corporation is required under the self-insurance program to deposit and maintain in a separate trust account, established for such purpose with a financial institution having trust powers, money in an amount sufficient, in the opinion of an independent consulting actuary, to pay claims up to the amount of the Corporation's retained liability and to pay anticipated claims expense; and

(ii) The self-insurance plan is reviewed at least annually by an independent consulting actuary to determine the required amount of additional deposits into the trust or those amounts which the Corporation may withdraw from the trust and that a copy of the consulting actuary's annual review shall be filed with the City (if requested by the City) and the Trustee; and

(iii) The Corporation has received a report from its consulting actuary concerning the program, including the Corporation's obligation to deposit money into the trust as required and such report has been filed with the City (if requested by the City) and the Trustee; the actuary must be a fellow in the Society of Actuaries; and

(iv) The program provides for the administration and payment of claims to the extent of the Corporation's retained liability; and

(v) The program requires that the Corporation purchase and maintain in effect excess coverage sufficient in amount so that the Corporation's retained liability and other excess coverage equals the minimum amount of coverage required hereof for the type of coverage as to which the Corporation intends to act or is acting as a self-insurer.

(d) The Corporation shall review the insurance requirements of the Corporation with respect to the Facilities from time to time (but not less frequently than once every year). If such review indicates that the Corporation should increase any of the coverage required by this Section 507, the Corporation shall review such recommendation with the governing body of the Corporation and shall, increase such coverage; provided, however, that such coverage is available from reputable insurance companies.

(e) The Corporation covenants that it will use its best efforts to apply for any grants, loans or other relief available from the State or federal government to obtain amounts necessary to rebuild any portion of the Facilities destroyed or damaged in connection with an uninsured or underinsured calamity causing destruction or damage; provided, however, that the Corporation shall not be required to accept such amounts if doing so would jeopardize the integrity of the Corporation's programs.

(f) All insurance shall be reviewed and recommended, by an independent insurance consultant at least once every other year, to confirm amounts and coverage of risks as is customarily maintained by other corporations in connection with the ownership and operation of facilities of similar character and size of the Facilities. The independent consultant shall prepare a report, addressed to the Original Purchaser and the Trustee summarizing its conclusions with respect to insurance required hereunder.

(g) To the extent that the Corporation obtains insurance coverage in the form of insurance policies issued by insurance companies, each such insurance policy maintained by the Corporation shall be carried by stock, reciprocal or mutual insurance companies authorized to do business (or subject to service of process) in the State which are financially responsible and capable of fulfilling the requirements of such policies; provided, however, such policies shall be provided by carriers rated at least "A" by S&P or "Excellent (A or A-)" (by A.M. Best Company, Inc. (or, to the extent approved by the Original Purchaser, an equivalent rating by a recognized equivalent rating service if A.M. Best Company, Inc. is no longer issuing such report); and the Original Purchaser agrees to accept the Corporation's current insurance carriers meeting such ratings.

(h) All such policies with respect to the Pledged Property shall name the Corporation, the Trustee and the Original Purchaser as insured parties, beneficiaries or loss payees as their interests may appear. Each policy shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved and shall contain a provision to the effect that the insurer shall not cancel or substantially modify the policy provisions without first giving thirty days' prior written notice thereof to the Corporation, the Trustee and the Original Purchaser. In lieu of separate policies, the Corporation may maintain blanket policies which cover any one or more risks required to be insured against so long as the minimum coverage required herein are met. The general liability insurance policies shall be endorsed to show the Original Purchaser as additional insured.

(i) Annually within one hundred fifty (150) days after the end of each Fiscal Year, the Corporation shall file with the Trustee and the Original Purchaser a Statement setting forth the policies of insurance maintained pursuant to this Second Installment Sale Agreement, the names of the insurers and insured parties, the amounts of such insurance and applicable deductibles, the risks covered thereby and the expiration dates thereof and that the insurance requirements hereof have been complied with. The Trustee may conclusively reply upon such certification. All insurance policies required by this Second Installment Sale Agreement, or ACORD 25 certificates of the insurers (or equivalent) that such insurance is in full force and effect, shall be deposited with the Trustee and the Original Purchaser (together with receipts indicating that premiums are being paid on an annual or more frequent basis in accordance

with the terms of each such policy) and, prior to expiration of any such policy, the Corporation shall furnish to the Original Purchaser satisfactory evidence that such policy has been renewed or replaced or is no longer required by the financing documents. All policies evidencing such required insurance shall provide for prior written notice to the Corporation, the Trustee and the Original Purchaser of any cancellation, reduction in amount or material change in coverage.

(j) The Corporation shall at all times also maintain worker's compensation coverage as required by the laws of the State.

Section 508. Investments. The Corporation, by written request, may direct the investment by the Trustee of moneys in the funds and accounts established pursuant to the Trust Agreement, subject to the limitations set forth in Section 408 of the Trust Agreement. The Corporation covenants that it will not direct the Trustee to make any investments and itself will not make any investments of the proceeds of the Certificates, or any other funds in any way pledged to the security of or reasonably expected to be used to pay the Certificates, which would cause any of the Certificates to be "arbitrage Certificates" subject to federal income taxation by reason of Section 103(b)(2) of the Code. The Corporation shall not purchase any obligations of the City, pursuant to an arrangement, formal or informal, in an amount related to the amount of the loans made to the Corporation under this Second Installment Sale Agreement. Nothing in this Section shall prohibit the Corporation from receiving Certificates by gift, bequest or devise or from purchasing Certificates in the secondary market other than pursuant to an arrangement related to the loan made hereby.

Section 509. Compliance with Laws. The Corporation will comply in all material respects with all laws, statutes, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Corporation or its operations, and it will not commit, suffer or permit any act to be done in violation of any law, ordinance or regulation, except, in each case, where such noncompliance or act would not have a material adverse effect upon the Corporation's assets, operations or financial condition or upon the Certificates.

Section 510. Prohibited Uses. No portion of the proceeds of the Certificates shall be used to finance or refinance any facility, place or building to be used (1) for sectarian instruction or study or as a place for devotional activities or religious worship for the useful life of the Facilities or (2) by a person that is not an organization described in Section 501(c)(3) of the Code or a Governmental Unit or by an organization described in Section 501(c)(3) of the Code (including the Corporation) in an "unrelated trade or business" (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Certificates being treated as an obligation not described in Section 103(a) of the Code.

Section 511. ERISA. The Corporation will not, so long as any Certificates are Outstanding, with respect to any ERISA Plan:

(a) incur any "accumulated funding deficiency," as such term is defined in Section 412 of the Code, whether or not waived, if the amount of such accumulated funding deficiency, plus any accumulated funding deficiencies previously incurred with respect to such ERISA Plan and not eliminated, would aggregate more than \$100,000; provided that the incurring of such an accumulated funding deficiency will not be an "event of default" under Section 7.1 hereof if it is reduced below \$100,000 or eliminated within ninety (90) days after the date upon which the Corporation becomes aware of such accumulated funding deficiency; or

(b) terminate any such ERISA Plan in a manner which could result in the imposition of a material lien on the property of the Corporation pursuant to Section 4068 of ERISA and which

could materially adversely affect the business, earnings, properties or financial condition of the Corporation; or

(c) withdraw from a Multiemployer Pension Plan in a “complete withdrawal,” or a “partial withdrawal” as defined in Sections 4203(a) and 4205(a), respectively, of ERISA, if such withdrawal could materially adversely affect the Corporation’s ability to comply at any time with any of the provisions of this Second Installment Sale Agreement.

(d) The Corporation will:

(i) fund all current and past service pension liabilities under the provisions of all ERISA Plans such that if all such ERISA Plans were terminated at the same time by the Corporation any liens imposed on the Corporation under Section 4068 of ERISA would not be in an amount in the aggregate which would materially affect the Corporation’s ability to, comply at any time with any of the provisions of this Second Installment Sale Agreement; and

(ii) otherwise comply in all material respects with the provisions applicable to its ERISA Plans contained in ERISA, the Code and the regulations published thereunder; and

(iii) notify the City promptly in writing after the Corporation knows or has reason to know (i) of the happening of any material Reportable Event with respect to any ERISA Plan and, in any event, at least five (5) days prior to any notification of such material Reportable Event given to the PBGC pursuant to the terms of Section 4043 or (ii) of an assessment against the Corporation or any Common Control Entity of any withdrawal liability to a Multiemployer Pension Plan. Notwithstanding anything herein to the contrary, the Corporation need not notify the Trustee or the City of such material Reportable Event or withdrawal liability unless it might materially adversely affect the business, prospects, earnings, properties or condition (financial or otherwise) of the Corporation.

(iv) For purposes of this paragraph and the representations and warranties of the Corporation contained in Paragraph (o) of Section 207, the following terms shall have the following meanings. The term “Multiemployer Plan” has the meaning set forth in Section 4001(a)(3) of ERISA and all rules and regulations promulgated from time to time thereunder. The term “Common Control Entity” means any entity which is a member of a “controlled group of corporations” with, or is under “common control” with, the Corporation as defined in Section 4144(b) or (c) of the Code. The term “PBGC” means the Pension Benefit Guaranty Corporation.

Section 512. Rates and Charges; Debt Service Coverage; Days Cash on Hand. The Corporation covenants and agrees to comply with the requirements of Subsection (a) and (b) of this Section 512.

(a) (i) The Corporation covenants and agrees to operate the Facilities such that its operations are reasonably projected in each Fiscal Year to provide Net Revenues Available for Debt Service at least equal to 1.25 times Annual Debt Service.

(ii) Within 150 days after the end of each Fiscal Year, the Corporation shall compute, or cause to be computed, Net Revenues Available for Debt Service, Annual Debt Service and the ratio thereof for such Fiscal Year and promptly furnish to the

Trustee and the Original Purchaser a Certificate setting forth the results of such computations.

(b) The Corporation shall maintain, as of the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2021, at least forty-five (45) Days Cash on Hand, as shown on the Corporation's audited financial statements for such Fiscal Year. For purposes of this requirement, "Days Cash on Hand" shall mean, for any Fiscal Year, the quotient obtained by dividing (1) the Corporation's cash and cash equivalents (including board designated funds and funded depreciation, but excluding proceeds of Short-Term Indebtedness) as of the end of such Fiscal Year by (2) the quotient of dividing (a) the Corporation's operating expenses (excluding depreciation, amortization, allowance for bad debts, and any other noncash expenses) for such Fiscal Year by (b) the number of days in such Fiscal Year.

The Corporation further covenants and agrees that if, at the end of such Fiscal Year, (i) Net Revenues Available for Debt Service shall be less than 1.25 times Annual Debt Service for such Fiscal Year, or (ii) the Days Cash on Hand shall have been less than 45, it will promptly employ a Consultant to make recommendations as to a revision of the methods of operation of the Corporation which will result in producing (x) Net Revenues Available for Debt Service at least equal to 1.25 times Annual Debt Service in the current Fiscal Year, and (y) at least 65 Days Cash on Hand in the current Fiscal Year. Copies of the recommendations of the Consultant shall be filed with the City, the Trustee and the Original Purchaser. The Corporation shall, to the extent feasible, promptly upon its receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, revise its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations.

If the Corporation complies in all material respects with the reasonable recommendations of the Consultant in respect to said rates, fees, charges and methods of operation or collection for two consecutive years, the Corporation will be deemed to have complied with the covenants contained in this 513 for such Fiscal Year, notwithstanding that Net Revenues Available for Debt Service shall be less than 1.25 times Annual Debt Service or the Days Cash on Hand shall be less than 45; provided, that (1) this sentence shall not be construed as in any way excusing the Corporation from taking any action or performing any duty required under this Second Installment Sale Agreement or be construed as constituting a waiver of any other event of default under this Second Installment Sale Agreement and (2) Net Revenues Available for Debt Service shall be at least equal to 1.0 times Annual Debt Service for such Fiscal Year.

Section 513. Limitation on Indebtedness. The Corporation covenants and agrees that it will not incur any additional Indebtedness; provided, however, the Corporation may incur:

(a) Parity Debt, provided that (i) for the most recent fiscal year for which an audit is available, as evidenced by a certificate of an independent certified public accountant, the Corporation had Net Revenues Available for Debt Service at least equal to 1.35 times Maximum Annual Debt Service on all outstanding and proposed debt, (ii) the trustee for such Parity Debt is the Trustee, (iii) such Parity Debt shall have the same principal and interest payment dates as the Certificates or payments shall be made to the Trustee on the same dates as principal and interest payment dates as the Certificates, and (iv) no default shall have occurred and be continuing under this Second Installment Sale Agreement or under any agreement providing for the issuance of Parity Debt.

(b) Parity Debt which does not meet the requirements of clause (i) of subsection (a) of this Section 513 incurred for the purpose of refunding any Outstanding Parity Debt so as to render it no longer Outstanding provided that Maximum Annual Debt Service on such

refunding Indebtedness, does not exceed Maximum Annual Debt Service on the refunded Indebtedness.

(c) Completion Indebtedness, with the consent of the Original Purchaser, in an amount not greater than 15% of the Indebtedness incurred to finance the project to be completed otherwise not requiring the compliance with any specific other incurrence test.

(d) Short-Term Indebtedness (i) incurred pursuant to subsection (a) of this Section 513 or (ii) there is delivered to the Trustee a Certificate of the Corporation certifying that (A) the total amount of such Short-Term Indebtedness does not exceed 20% of Total Revenues of the Corporation for the most recent Fiscal Year for which audited financial statements are available; and (B) in every Fiscal Year, there shall be at least a thirty (30) day period when the balance of such Short-Term Indebtedness is reduced to zero.

(e) Liabilities (other than for borrowed money, rents payable under lease agreements and operating leases) incurred in the regular course of operations of the Corporation.

(f) Reimbursement and other obligations arising under reimbursement agreements relating to letters of credit or similar credit facilities used to secure Indebtedness.

(g) Subordinate Indebtedness and purchase money security indebtedness, without limitation, except as set forth in subsections (a)(i) and (a)(ii) above.

(h) Personal property/equipment financing as stated in paragraph (xii) of the definition of Permitted Encumbrances.

(i) Other Indebtedness approved in writing by the Original Purchaser.

Section 514. Gross Revenue Pledge. In consideration of the execution and delivery of the Certificates and to secure the payment of the Installment Payments and Additional Payments and the performance of the other obligations of the Corporation hereunder, the Corporation does hereby pledge and grant a security interest, to the extent permitted by law, to the City in all Gross Revenues and the proceeds thereof, to secure the obligations of the Corporation under this Second Installment Sale Agreement. The Corporation agrees that, as long as any of the Certificates remain Outstanding or any Additional Payments remain unpaid, all of the Gross Revenues shall be deposited as soon as practicable upon receipt in a fund designated as the "Gross Revenue Fund" in an account or accounts at such banking institution or institutions as the Corporation shall from time to time designate in writing to the Trustee for such purpose (herein called the "Depository Bank(s)"). Subject to the provisions of this Second Installment Sale Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Corporation hereby pledges, and to the extent permitted by law grants a security interest to the Original Purchaser and the Trustee, as assignee of the City (for the benefit of the Owners and the holders of any Parity Debt, as and to the extent set forth in this Section), in the Gross Revenue Fund and all of the Gross Revenues to secure the payment of the Installment Payments and Additional Payments and the performance by the Corporation of its other obligations under this Second Installment Sale Agreement and the payment and performance of all obligations of the Corporation under any Parity Debt agreements. The Corporation agrees to execute and deliver such control agreements and other documents and instruments, and to take any other action as may be necessary or reasonably requested by the Trustee or the City in order to perfect or maintain as perfected such security interest or give public notice thereof. If at any time when there are Certificates Outstanding, the Corporation shall establish a new depository account with a Depository Bank constituting a part of the Gross Revenue Fund, the Corporation covenants and agrees to notify the Trustee and the Original

Purchaser thereof and to cooperate with the Trustee in effecting a first lien on such agreements and other documents and instruments and by taking any other action, as may be necessary or reasonably required by the Trustee or the City in order to perfect or maintain as perfected such security interest or give public notice thereof.

(b) Amounts in the Gross Revenue Fund may be used and withdrawn by the Corporation at any time for any lawful purpose, except as hereinafter provided. In the event that the Corporation is delinquent for more than one Business Day in the payment or required prepayment of any Installment Payment or any payment with respect to Parity Debt, the Trustee shall notify the City, the Corporation, the Original Purchaser and the Depository Bank(s) of such delinquency, and, unless such Installment Payment or payment with respect to Parity Debt is paid within five (5) days after receipt of such notice, the Corporation shall cause the Depository Bank(s) to transfer the Gross Revenue Fund to the name and credit of the Trustee, as assignee of the City. The Gross Revenue Fund shall remain in the name and to the credit of the Trustee until the amounts on deposit in said fund are sufficient to pay in full (or have been used to pay in full) all Installment Payments in default and payments required with respect to Parity Debt in default and until all other Installment Sale Agreement Defaults and events of default with respect to Parity Debt known to the Trustee 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, whereupon the Gross Revenue Fund (except for the Gross Revenues required to make such payments or cure such defaults) shall be transferred by the Depository Bank(s) automatically back to the name and credit of the Corporation. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw from time to time amounts in said fund to make Installment Payments, Additional Payments and the other payments required of the Corporation under this Second Installment Sale Agreement or with respect to any Parity Debt as such payments become due (whether by maturity, prepayment, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then, first, to the payment of Installment Payments and debt service with respect to Parity Debt, ratably, according to the amounts due respectively for Installment Payments and such Parity Debt debt service, without discrimination or preference, and then to such other payments in the order which the Trustee, in its sole discretion, shall determine to be in the best interests of the holders of the Certificates and such Parity Debt, without discrimination or preference. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Corporation shall not be entitled to use or withdraw any of the Gross Revenues unless (and then only to the extent that) the Trustee, in its sole discretion, so directs for the payment of current or past due operating expenses of the Corporation pursuant to a budget prepared by the Corporation; provided, however, that the Corporation shall be entitled to use or withdraw any amounts in the Gross Revenue Fund which do not constitute Gross Revenues. The Corporation shall execute and deliver all instruments as may be required to implement this Section. The Corporation further agrees that a failure to comply with the terms of this Section shall cause irreparable harm to the Owners from time to time of the Certificates and the holders from time to time of Parity Debt, and shall entitle the Trustee, as assignee of the City, with or without notice to the Corporation, to take immediate action to compel the specific performance of the obligations of the Corporation as provided in this Section.

Section 515. Limitation on Encumbrances. The Corporation covenants and agrees that it will not create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest, encumbrance, lien or charge of any kind (including any charge upon property purchased under conditional sales or other title retention agreements) upon the Corporation or the Pledged Property, whether now owned or hereafter acquired ; provided, however, that notwithstanding the foregoing, the Corporation may create, assume or suffer to exist Permitted Encumbrances.

Section 516. Environmental Indemnity.

(a) The Corporation shall not cause or permit the Facilities or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable Federal, state and local laws or regulations, nor shall the Corporation cause or permit, as a result of any intentional or unintentional act or omission on the part of the Corporation or any tenant or subtenant, a release of Hazardous Substances onto the Facilities. The Corporation shall comply with and ensure compliance by all tenants and subtenants with all applicable Federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder.

(b) The Corporation shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Facilities (A) in accordance with all applicable Federal, state and local laws, ordinances, rules, regulations, and policies, (B) to the satisfaction of the Trustee, and (C) in accordance with the orders and directives of all Federal, state and local governmental authorities, and (ii) defend, indemnify, and hold harmless the City, the Original Purchaser and the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (A) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, and/ or (C) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the mortgage trustee, which are based upon or in any way related to such Hazardous Substances including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses.

(c) In the event that the Trustee elects to control, operate, sell or otherwise claim property rights in the Facilities, the Corporation shall deliver the Facilities free of any and all Hazardous Substances so that the conditions of the Facilities shall conform with all applicable Federal, state and local laws, ordinances, rules or regulations affecting the Facilities. Prior to any such delivery of the Facilities, the Corporation shall pay the Trustee, from its own funds, any amounts then required to be paid under subsection (ii) above.

(d) The provisions of this Section 516 shall survive any termination of this Second Installment Sale Agreement prior to payment in full of the Certificates.

Section 517. Nondiscrimination. The Corporation herein covenants that this Second Installment Sale Agreement is made and accepted upon and subject to the conditions that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Facilities nor shall the Corporation 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 Facilities.

Section 518. Limitation on Disposition of Assets.

(a) The Corporation shall not sell or otherwise dispose of any part of the Facilities, including any facilities or equipment thereon (other than as part of a disposition of assets as permitted by Section 502 hereof) unless:

(i) such assets shall have become inadequate, obsolete, worn out, unsuitable, undesirable, unprofitable or unnecessary to the Corporation, and the sale, removal or other disposition thereof will not, in the opinion of the Corporation, materially impair the structural soundness, efficiency, economic value or revenue generating capacity of the Corporation;

(ii) the proceeds from such sale or other disposition are equal to at least the fair market value of the assets sold or otherwise disposed of and the Corporation either pays the net proceeds of such sale or other disposition to the Trustee for deposit in the optional redemption account to be created in the Trust Fund or utilizes the net proceeds of such sale or other disposition to acquire property that will thereafter constitute Facilities; or

(iii) the aggregate market value of the portions of the Facilities disposed of in any Fiscal Year does not exceed five percent (5%) of the value of the tangible Facilities reflected on the balance sheet of the Corporation, reduced by accumulated depreciation and amortization with respect to such Facilities retained by the Corporation.

(b) Before any disposition of any part of the Facilities in any Fiscal Year in accordance with subsection (a) above, the Corporation shall furnish to the Trustee and the Original Purchaser (A) a certificate of the Corporation stating that such disposition is for a purpose specified in clauses (i) , (ii) or (iii) of subsection (a) of this Section, as appropriate, that no Event of Default under the Trust Agreement or this Second Installment Sale Agreement or default under the Deed of Trust has occurred and is continuing and stating the amount of the net proceeds or other consideration received, if any, from such sale or other disposition, and (B) if applicable, an appraisal of the property to be acquired with the net proceeds or other consideration received from such sale or other disposition, showing that such property is to be acquired at a price not more than its fair market value. Upon receipt of such certificate, appraisal(s) and report, the Trustee shall execute and deliver any releases or other documents reasonably requested by the Corporation in connection with such sale or other disposition.

(c) The Trustee shall also execute and deliver any documents reasonably requested by the Corporation in connection with the sale or other disposition of any part of the Facilities in any Fiscal Year upon receipt of a Statement of the Trustee and the Original Purchaser stating that the parts of the Facilities so sold or disposed of and all other parts of the Facilities sold or otherwise disposed of during the same Fiscal Year do not in the aggregate exceed the limitations set forth in this Section.

Notwithstanding the foregoing, the Corporation may replace any portion of the Facilities that constitutes fixtures if the Corporation substitutes fixtures of equivalent utility and not less than equivalent value and such substituted fixtures are free of any liens or encumbrances including, without limitation, purchase money security interests.

(d) In addition to the foregoing limitations, the Corporation may not sell or otherwise dispose of any of the Pledged Property unless it shall be established to the satisfaction of the Trustee and the Original Purchaser that (i) all consents and approvals of governmental entities, board and other bodies required in connection therewith have been obtained, (ii) the security of the Deed of Trust and the ability of the trustee thereunder to foreclose upon the remaining Pledged Property will not be impaired as a result of the disposition of such property and (iii)

the Corporation shall have conveyed to the trustee under the Deed of Trust such rights-of-way, easements and other rights in land as are required for ingress to and egress from the remaining Pledged Property, for the utilization of the facilities located thereon and for utilities required to serve such facilities.

(e) Notwithstanding any other provision of this Second Installment Sale Agreement, no cash, investments and other current assets ("Liquid Assets") may be sold or otherwise disposed of unless (i) fair market value is received in return, or (ii) the total market value of Liquid Assets disposed of in any Fiscal Year does not exceed one percent (1%) of all Liquid Assets of the Corporation.

Section 519. Indemnification.

(a) To the fullest extent permitted by law, the Corporation agrees to indemnify, hold harmless and defend the City, the Trustee, the Original Purchaser and each of its respective past, present and future officers, members, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Certificates, the Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement, the Deed of Trust and the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the execution, sale or resale of the Certificates;

(ii) any act or omission of the Corporation or any of its agents, contractors, servants, employees, tenants or licensees in connection with the Facilities, the operation of the Facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Facilities or any part thereof;

(iii) any lien or charge upon payments by the Corporation to the City and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the City or the Trustee in respect of any portion of the Facilities;

(iv) the defeasance and/or redemption, in whole or in part, of the Certificates;

(v) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the documents relating to the Certificates, or any omission or alleged omission of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(vi) any violation of any Environmental Regulation with respect to, or the release of any Hazardous Substance from, the Pledged Property or any part thereof;

(vii) any declaration of taxability of interest with respect to the Certificates, or allegations that interest with respect to the Certificates is taxable or any regulatory audit or inquiry regarding whether interest with respect to the Certificates is taxable;

(viii) the Trustee's acceptance or administration of the trust of the Trust Agreement, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Certificates to which it is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the City or any of its officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Corporation, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Corporation shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Corporation if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to any documents relating to the Certificates shall survive the final payment or defeasance of the Certificates and in the case of the Trustee any resignation or removal. The provisions of this Section 519 shall survive the termination of this Second Installment Sale Agreement and the redemption or other payment in full of the Certificates.

Section 520. Waiver of Personal Liability. No officer, agent or employee of the City or any director, officer, agent or employee of the Corporation shall be individually or personally liable for the payment of any principal (or Redemption Price) or interest with respect to the Certificates or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Second Installment Sale Agreement, but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Second Installment Sale Agreement.

Section 521. Obligation to Continue Payments. So long as any Certificates are Outstanding, if (i) the Facilities or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (ii) the temporary use of the Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Corporation shall nevertheless be obligated to continue to pay the Installment Payments and Additional Payments to the extent not prepaid.

Section 522. Disposition of Insurance and Condemnation Proceeds.

(a) All proceeds of the insurance carried pursuant to Section 507(a) hereof (except proceeds of the liability portion, if any, of such insurance), and proceeds of any condemnation awards with respect to the Facilities in excess of \$100,000 shall be paid immediately upon receipt by the Corporation. In the event that the proceeds of any loss or damage to or condemnation of the Facilities shall be less than or equal to \$100,000 the Corporation may retain such proceeds without any formality whatsoever. If the Corporation elects to repair or replace such property, the Corporation shall proceed reasonably promptly to repair or replace such property.

(b) In the event the Corporation shall elect to apply the proceeds to the prepayment of the Installment Payments (and the consequent redemption of Certificates), and not to the repair or replacement of the property damaged, destroyed or taken, the Corporation shall apply such amounts to prepay the Installment Payments (and thereby the Certificates).

ARTICLE VI

DISCLAIMER OF WARRANTIES; ASSIGNMENT; AMENDMENT

Section 601. Disclaimer of Warranties. Neither the City nor its assignee make any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Corporation of the Facilities or any portion thereof, or any other representation or warranty with respect to the Facilities, or any portion thereof. In no event shall the City or its assignee be liable for incidental, indirect, special or consequential damages, in connection with this Second Installment Sale Agreement or the existence, furnishing, or functioning of the Facilities, or the Corporation's or any other person's use of the Facilities, except such damages as may arise by reason of the City's breach of this Second Installment Sale Agreement.

Section 602. No Assignment. The Corporation's rights and obligations under this Second Installment Sale Agreement may not be assigned.

Section 603. Amendment. With the prior written consent of the Owners, this Second Installment Sale Agreement may be amended in writing by the parties hereto or by their assignees on their behalf or in their name, provided that no such amendment shall be made unless there is filed with the Trustee and the Owners the opinion of Special Counsel that under existing laws in effect on the date of the opinion, said amendment will not impair the exclusion from gross income for federal income tax purposes of the interest component of Purchase Payments. No amendment hereof which affects the rights, duties or immunities of the Trustee will take effect without the express written consent of the Trustee.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 701. Events of Default Defined. Any one of the following which occurs shall constitute an Event of Default under this Second Installment Sale Agreement:

(a) failure by the Corporation to pay or cause to be paid any amounts required to be paid under Section 401 hereof when due; or

(b) failure of the Corporation to observe and perform any covenant, condition or agreement on its part required to be observed or performed under this Second Installment Sale Agreement, other than making the payments referred to in (a) above, which continues for a period of thirty (30) days after written notice from the Trustee or the City, which notice shall specify such failure and request that it be remedied, unless the City and the Trustee shall agree in writing to an extension of such time period; provided, however, that if the failure stated in the notice cannot be corrected within such period, the City and the Trustee will not unreasonably withhold their consent to an extension of such time period if corrective action is instituted within such period and diligently pursued until the default is corrected; provided, however, that such failure or breach shall be cured within 120 days of such notice; or

(c) any of the representations or warranties of the Corporation made herein or in the application filed with the City in connection with the Certificates was false or incorrect in any material respect when made; or

(d) an Act of Bankruptcy occurs with respect to the Corporation; or

(e) the occurrence of an Event of Default under the First Installment Sale Agreement or the Trust Agreement.

(f) any reportable event (as defined in ERISA) which the Original Purchaser determines in good faith constitutes grounds for the termination of any Plan of the Corporation or for the appointment by the appropriate United States District Court of a trustee to administer or liquidate any such Plan, shall have occurred and be continuing thirty (30) days after written notice to such effect shall have been given to the Corporation by the Purchaser; or any such Plan shall be terminated; or a trustee shall be appointed by the appropriate United States District Court to administer any such Plan; or the PBGC shall institute proceedings to administer or terminate any such Plan; and in the case of any such event the aggregate amount of vested unfunded liabilities under such Plan shall exceed (either singly or in the aggregate in the case of any such liability arising under more than one such Plan) five percent (5%) of the total assets of the Corporation;

(g) the liens provided under the Deed of Trust shall cease at any time to be in effect and fully perfected as to any material part of the Pledged Property;

(h) any final judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes the operation or result of which, individually or in the aggregate, equals or exceed \$250,000, 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 Original Purchaser shall be entered or filed against the Corporation or against any of its Facilities and remain unpaid, unvacated, unbonded or unstayed for a period of sixty (60) days; or

(i) the Corporation fails to provide the Original Purchaser with any financial information required by Section 503 for a period of sixty (60) days within the dates required thereof.

Section 702. Remedies on Default.

(a) Whenever any Event of Default hereunder shall have occurred and shall continue, the interest rate with respect to the Certificates shall be the Default Rate and the City, the Trustee or the Original Purchaser may take whatever action or institute any proceeding, at law or in equity, as may be necessary or desirable for the collection of the payments and other amounts then due, including Installment Payments, and thereafter to become due hereunder or the enforcement of the performance and observance of any obligation, agreement or covenant of the Corporation under this Second Installment Sale Agreement, including but not limited to: (i) instituting and prosecuting to judgment or final decree and enforcing any such judgment or decree against the Corporation and collect in the manner provided by law moneys decreed to be payable; (ii) by injunctive and other equitable relief, to require the Corporation to perform each of its obligations hereunder and to otherwise protect the City's and the Original Purchaser's rights hereunder, and (iii) institute foreclosure proceedings under the Deed of Trust if permitted under the terms thereof.

(b) In case the Trustee or the City shall have proceeded to enforce its rights under this Second Installment Sale Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the City, then, and in every such case, the Corporation, the Trustee and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Corporation, the Trustee and the City shall continue as though no such action had been taken (provided, however, that any settlement of such proceedings duly entered into by the City, the Trustee or the Corporation shall not be disturbed by reason of this provision).

Section 703. Remedies Not Exclusive. No remedy by the terms of this Second Installment Sale Agreement, the Second Assignment Agreement or the Trust Agreement conferred upon or reserved to the Trustee (or to the Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

Section 704. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Second Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver. The City shall have no power to waive any Event of Default hereunder by the Corporation without the consent of the Trustee to such waiver.

Section 705. Status Quo Ante. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, then, and in every such case, the City and its assignee, shall be restored to its and their former

position and rights and remedies as if no such suit, action or proceedings had been brought or taken.

Section 706. Agreement to Pay Attorneys' Fees and Expenses. Upon an Event of Default under this Second Installment Sale Agreement, if the City, the Owners or the Trustee employ attorneys or incur other expenses for the collection of Installment Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Corporation or the City herein contained, the Corporation agrees that it will on demand therefor pay to the City, the Owners or the Trustee, as the case may be, the reasonable fees and disbursements of such attorneys and such other expenses so incurred by the City, the Owners or the Trustee. The obligations of the Corporation hereunder shall be and remain valid and binding obligations of the Corporation, notwithstanding payment of the Installment Payments in full, for a period of not to exceed any applicable statute of limitations period.

ARTICLE VIII

ADMINISTRATIVE PROVISIONS

Section 801. Preservation and Inspection of Documents. All documents received by the City or the Corporation under the provisions of this Second Installment Sale Agreement shall be retained in their respective possessions and shall be subject at all reasonable times to the inspection of the other party hereto and its assigns, agents and representatives, any of whom may make copies thereof.

Section 802. Parties of Interest. Nothing in this Second Installment Sale Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the City and its assignee and the Corporation any rights, remedies or claims under or by reason of this Second Installment Sale Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Second Installment Sale Agreement contained by or on behalf of the City or the Corporation shall be for the sole and exclusive benefit of the City and its assignee where expressly so noted and the Corporation and its assignee. Notwithstanding the foregoing, the Trustee shall be a third party beneficiary of this Second Installment Sale Agreement for all purposes.

Section 803. No Recourse Under Agreement. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Second Installment Sale Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the payment of the Installment Payments or for any claim based thereon or under this Second Installment Sale Agreement against any officer, employee or agent of the parties hereto.

Section 804. Notices. All notices, Written Certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered or certified form with postage fully prepaid, or by fax:

- | | |
|----------------------------|---|
| If to the Corporation: | Ampla Health
935 Market Street
Yuba City, CA 95991
Attention: Chief Financial Officer
Phone: (530) 674-4261 |
| If to the City: | City of Yuba City
1201 Civic Center Boulevard
Yuba City, CA 95993
Attention: Director of Finance and IT
Phone: (530) 822-4792 |
| If to the Trustee: | U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services
Phone: (415) 677-3593 |
| To the Original Purchaser: | First Foundation Bank
2233 Douglas Boulevard, Suite 300
Roseville, CA 95661
Attention: _____
Telephone: (916) ____-____ |

The parties hereto, by notice given hereunder, may, respectively, designate different addresses to which subsequent notices, certificates or other communications will be sent. Copies of

all notices Written Certificates or other documents to be delivered to the Trustee hereunder shall simultaneously be delivered to the Owners at the addresses set forth in the Certificate Register.

A copy of any notice, certificate or other communication given hereunder shall be provided to the Trustee.

Section 805. Binding Effect. This Second Installment Sale Agreement shall inure to the benefit of and shall be binding upon the City and the Corporation and their respective successors and assigns.

Section 806. Severability. If any one or more of the covenants, stipulations, promises, agreement or obligations provided in this Second Installment Sale Agreement on the part of the City or the Corporation to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Second Installment Sale Agreement.

Section 807. Headings. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Second Installment Sale Agreement, nor shall they affect its meaning, construction or effect.

Section 808. Applicable Law. This Second Installment Sale Agreement is a contract made under the laws of the State and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State of California. This Second Installment Sale Agreement shall be enforceable in the State, and any action arising out of this Second Installment Sale Agreement shall be filed and maintained in Sutter County, California, unless the City waives this requirement in writing.

Section 809. City and Corporation Representatives. Whenever under the provisions of this Second Installment Sale Agreement the approval of the City or the Corporation is required or the City or the Corporation are required to take some action at the request of the other, such approval of such request may be given for the City by an Authorized Representative of the City and for the Corporation by an Authorized Representative of the Corporation, and any party hereto shall be authorized to rely upon any such approval or request.

Section 810. Form of Written Certificate of Officers. Every Written Certificate with respect to compliance with a condition or covenant provided for in this Second Installment Sale Agreement and which is precedent to the taking of any action under this Second Installment Sale Agreement shall include:

- (a) A statement that the person making or giving such Written Certificate has read such covenant or condition and the definitions herein relating thereto;
- (b) A brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Written Certificate are based;
- (c) A statement that, in the opinion of the signer, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) A statement as to whether or not, in the opinion of the signer, such condition or covenant has been complied with.

A Written Certificate may be based, insofar as it relates to legal matters, upon a Written Certificate or opinion of or representations by counsel, unless the persons providing the Written Certificate know that the Written Certificate or representations with respect to the matters upon which the Written Certificate may be based are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 811. Business Days. Any act or thing required to be done or exist on any date set forth herein which does not constitute a Business Day in any year shall be deemed to be done or to exist on such date if such act or thing is done or exists on the next date which constitutes a Business Day.

Section 812. Execution in Counterparts. This Second Installment Sale Agreement may be executed in counterparts and each of said counterparts shall be deemed an original for all purposes of this Second Installment Sale Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Second Installment Sale Agreement to be executed in their respective names by their duly Authorized Representatives as of the date first above written.

CITY OF YUBA CITY

By _____
Name _____
Title _____

AMPLA HEALTH

By _____
Name _____
Title _____

EXHIBIT A
DESCRIPTION OF REAL PROPERTY

The land referred to herein is situated in Sutter County, State of California, described as follows:

931 and 935 Market Street, 1000 Sutter Street, Yuba City, CA

TRACT A:

PARCEL A-1:

PARCELS 2 AND 3 AS SHOWN ON PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

APN: 51-550-030 & 51-550-031

PARCEL A-2:

A CROSS ACCESS EASEMENT OVER PARCEL 4 OF PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

TRACT B:

PARCEL B-1:

PARCEL 1 AS SHOWN ON PARCEL MAP NO. 1073, FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, ON OCTOBER 4, 2004, IN BOOK 7 OF PARCEL MAPS, AT PAGE 43.

APN: 51-550-039

PARCEL B-2:

A CROSS ACCESS EASEMENT OVER PARCEL 4 OF PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

EXHIBIT B

INSTALLMENT PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component*</u>	<u>Total</u>
2/1/21			
8/1/21			
2/1/22			
8/1/22			
2/1/23			
8/1/23			
2/1/24			
8/1/24			
2/1/25			
8/1/25			
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2/1/37			
8/1/37			
2/1/38			
8/1/38			
2/1/39			
8/1/39			
2/1/40			
8/1/40			

* The applicable interest rate is ___% per annum. If the Default Rate or the Taxable Rate is in effect, interest will be computed by applying such alternate rate.

ATTACHMENT 5

FIRST ASSIGNMENT AGREEMENT

by and between the

CITY OF YUBA CITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of August 1, 2020

FIRST ASSIGNMENT AGREEMENT

THIS FIRST ASSIGNMENT AGREEMENT (the "First Assignment Agreement"), is dated as of August 1, 2020, by and between the CITY OF YUBA CITY, a municipal corporation and general law city and existing under the laws of the State of California (hereinafter called the "City"), and U.S. BANK NATIONAL ASSOCIATION, as trustee (hereinafter called the "Trustee"), a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee under that certain Trust Agreement, dated as of August 1, 2020 (the "Trust Agreement"), by and among the City, the Trustee and Ampla Health (the "Corporation");

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and the City have entered into the First Installment Sale Agreement, dated as of August 1, 2020 (the "First Installment Sale Agreement"), whereby the Corporation has agreed to sell to the City, and the City has agreed to purchase from the Corporation certain lands more particularly described in Exhibit A attached hereto and by this reference incorporated herein, and those certain facilities thereon (the "Facilities"), and the City has agreed to make certain purchase payments therefor (the "Purchase Payments") and to provide certain security therefor, all in the manner and on the terms set forth in the First Installment Sale Agreement.

(b) The City and the Corporation have entered into a Second Installment Sale Agreement, dated as of August 1, 2020 (the "Second Installment Sale Agreement"), whereby the City has agreed to sell the Facilities to the Corporation, and the Corporation has agreed to make certain installment payments therefor (the "Installment Payments") and to provide certain security therefor, all in the manner and on the terms set forth in the Second Installment Sale Agreement.

(c) The City has agreed to execute and deliver to the Trustee an assignment of its interests in, under and to the Second Installment Sale Agreement.

(d) The purpose of this First Assignment Agreement is to accomplish the assignment referenced in paragraph (c) above.

(e) Each of the parties has authority to enter into this First Assignment Agreement and has taken all actions necessary to authorize its officers to enter into it.

(f) The terms capitalized in this First Assignment Agreement but not defined herein shall have the meanings given to them in the Second Installment Sale Agreement.

Section 2. Assignment. The City, for good and valuable consideration, does hereby irrevocably assign and transfer to the Trustee all its rights, and interest in, under and to the Second Installment Sale Agreement, including, without limitation:

(a) its rights to receive Installment Payments from the Corporation under the Second Installment Sale Agreement; provided, however, that pursuant to Section 4.03 of the Second

Installment sale Agreement, so long as First Foundation Bank is the Original Purchaser, and notwithstanding any provision in the Trust Agreement or in the Second Installment Sale Agreement to the contrary, all payments of principal of and interest with respect to the Certificates shall be made to the Original Purchaser directly by the Corporation by electronic wire transfer in immediately available funds directly for credit to the ABA routing number and account number filed by the Original Purchaser with the Trustee and the Corporation on the Closing Date, and without payment by the Corporation to the Trustee (without any presentment of such Certificate, except upon payment of the final installment of principal, and without any notation of such payment being made thereon).

(b) the right to exercise such rights and remedies as are conferred on the City by the Second Installment Sale Agreement as may be necessary to enforce payment of such Installment Payments from the Corporation when due or otherwise to protect its interests in the event of a default by the Corporation;

(c) all rights and interest of the City as the secured party with respect to Facilities; and

(d) all rights and interest of the City to the pledge of Gross Revenues (as defined in the Trust Agreement).

Notwithstanding any other provision of this Section 2, the City does not hereby assign rights to indemnification accruing to the City under the Second Installment Sale Agreement.

The Trustee shall not be obligated by reason of this First Assignment Agreement or otherwise to perform or be responsible for the performance of any of the obligations of the City under the Second Installment Sale Agreement.

Section 3. Acceptance. The Trustee hereby accepts such assignment in trust for the purpose of securing such payments and rights to the Owners of the Certificates delivered pursuant to the Trust Agreement, and subject to the provisions of the Trust Agreement.

Section 4. Conditions. This First Assignment Agreement shall impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

Section 5. Counterparts. This First Assignment Agreement may be executed in counterparts, each of which shall constitute an original but all of which shall constitute one document.

IN WITNESS WHEREOF, the parties have executed this First Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF YUBA CITY, as Assignee

By _____
Name _____
Title _____

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Name _____
Title _____

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

The land referred to herein is situated in Sutter County, State of California, described as follows:

931 and 935 Market Street, 1000 Sutter Street, Yuba City, CA

TRACT A:

PARCEL A-1:

PARCELS 2 AND 3 AS SHOWN ON PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

APN: 51-550-030 & 51-550-031

PARCEL A-2:

A CROSS ACCESS EASEMENT OVER PARCEL 4 OF PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

TRACT B:

PARCEL B-1:

PARCEL 1 AS SHOWN ON PARCEL MAP NO. 1073, FILED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, ON OCTOBER 4, 2004, IN BOOK 7 OF PARCEL MAPS, AT PAGE 43.

APN: 51-550-039

PARCEL B-2:

A CROSS ACCESS EASEMENT OVER PARCEL 4 OF PARCEL MAP NO. 981, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SUTTER, STATE OF CALIFORNIA, DECEMBER 7, 2000, IN BOOK 6 OF PARCEL MAPS, AT PAGE 61.

ATTACHMENT 6

\$10,000,000
CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owner Thereof in Purchase Payments to be Made by the
CITY OF YUBA CITY, CALIFORNIA,
As the Purchase Price of Certain Property
Pursuant to a First Installment Sale Agreement with
AMPLA HEALTH

CERTIFICATE PURCHASE AGREEMENT

July 30, 2020

City of Yuba City
1201 Civic Center Boulevard
Yuba City, CA 95993

Ampla Health
935 Market Street
Yuba City, CA 95991

Ladies and Gentlemen:

The undersigned, of First Foundation Bank, as purchaser (including its successors and assigns, the "Purchaser"), offers to enter into this Certificate Purchase Agreement (this Certificate Purchase, as amended and supplemented from time to time, being herein called the "Certificate Purchase Agreement") with the City of Yuba City (including its successors and assigns, the "City") and Ampla Health (including its successors and assigns, the "Corporation"), a California nonprofit public benefit corporation (the "Corporation"), which, upon acceptance, will be binding upon the City, the Corporation and the Purchaser. This offer is made subject to the Corporation's and the City's acceptance on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice delivered to the City and the Corporation at any time prior to such acceptance.

The City, the Corporation and the Purchaser acknowledge and agree that (i) the purchase of the Certificates (hereinafter defined) pursuant to this Certificate Purchase Agreement is an arm's-length, commercial transaction between the City and the Purchaser, and approved by the Corporation, in which the Purchaser is acting solely as a principal and is not acting as an agent, advisor or fiduciary of the City or the Corporation, (ii) the Purchaser has not assumed any advisory or fiduciary responsibility to the City or the Corporation with respect to the transactions contemplated in this Certificate Purchase Agreement and the discussions leading thereto (irrespective of whether the Purchaser, or any affiliate of the Purchaser, has provided other services or is currently providing other services to the City or the Corporation on other matters), (iii) the only contractual obligations the Purchaser has to the City or the Corporation with respect to the transactions contemplated hereby are those set forth in this

Certificate Purchase Agreement, (iv) the Purchaser has financial and other interests that differ from those of the City and the Corporation and (v) the City and the Corporation has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

1. Purchase of the Certificates.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth herein, the Purchaser hereby agrees to purchase, and the City hereby agrees to sell to the Purchaser, \$10,000,000 aggregate principal amount of certificates of participation (the "Certificates"), dated as of their date of delivery, payable as to interest at the rate of ____% (so long as no Event of Default or Event of Taxability has occurred), maturing on August 1, 2040, and subject to redemption, as set forth in Exhibit A attached hereto and incorporated herein by this reference. The purchase price for the Certificates shall be \$10,000,000, representing the par amount of the Certificates, and shall be paid on the Closing Date (as defined herein).

The Certificates are being executed and delivered to finance and refinance certain health facilities as follows:

(a) finance the construction and equipping of a square foot, two-story health clinic to be located on a .97 acre site at 355 Samuel Drive in Yuba City, California, containing 18 exam rooms, one treatment room, a conference room, patient intake areas and 450 square feet of space adjacent to the lobby for future services; and

(b) refund the outstanding California Health Facilities Financing Authority Taxable Variable Rate Demand Refunding Revenue Bonds (Ampla Health), Series 2016, issued to:

(i) provide for the refunding of the portion of the then outstanding Certificates of Participation evidencing direct, undivided fractional interests of the owners thereof in purchase payments to be made by the California Statewide Communities Development Authority as the purchase price of certain property pursuant to installment purchase agreements with the Corporation, Central Valley Indian Health, Inc., the Corporation (under its prior name, Del Norte Clinics, Inc.), Open Door Community Health Centers, Salud Para La Gente, Sequoia Community Health Foundation, Social Science Services, Inc. and United Health Centers of the San Joaquin Valley), delivered in 2000 for the benefit of the Corporation, the proceeds of which were used for the purpose of refunding the portion of the outstanding Local Medical Facilities Financing Authority I Certificates of Participation (Insured California Health Clinics Project) delivered to provide assistance to the Corporation, under its former name, Northern Sacramento Valley Rural Health Project, in financing the construction of its health facility located at 227 Swift Street, Orland, California, which facility was subsequently sold and the proceeds received from such sale applied to the construction of the Corporation's facility at 1211 Cortina Drive Orland, California,

(ii) provide for the refunding of the the outstanding California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Del Norte Clinics, Inc.), 2003 Series A, issued for the benefit of the Corporation (under its prior name, Del Norte Clinics, Inc.), the proceeds of which were used to finance (A) the acquisition and renovation of a building leased by the Corporation located at 520 Kentucky Street in the City of Gridley (used as a family health clinic), (B) the acquisition and renovation of a building leased by the Corporation located at 680 Cohasset Road in the City of Chico (used as a family health and dental center), (C) construction of a new

health and dental facility on a parcel of land owned by the Corporation on Lincoln Road south of Oro Dam Boulevard in the City of Oroville, and (D) finance the acquisition of two buildings leased by the Corporation located at 931 Market Street in the City of Yuba City (used as a pediatric clinic) and 935A Market Street in the City of Yuba City (used as an administration building and medical center),

(iii) provide for the prepayment of a HELP II the proceeds of which were used to finance construction at, and equipment for, the Corporation's health facility located at 4941 Olivehurst Avenue in Olivehurst, California,

(iv) provide for the prepayment of a loan from the United States Department of Agriculture, Rural Development, to the Corporation, the proceeds of which were used to finance construction at, and equipment for, the Corporation's health facility located at 4941 Olivehurst Avenue in Olivehurst, California, and

(v) provide for the prepayment of two loans from Northern California National Bank to the Corporation, the proceeds of which were used to finance the acquisition of land and a building, known as the Enloe Medical Center, located at 7981 Highway 99 in Los Molinos, California,

(collectively, the "Project").

(b) The Certificates shall be substantially in the form described in, shall be executed, delivered and secured under the provisions of, and shall be payable as provided in, that certain Trust Agreement, dated as of August 1, 2020 (as amended and supplemented from time to time, the "Trust Agreement"), by and among the City, the Corporation and U.S. Bank National Association, as trustee (the "Trustee"). The Certificates evidence direct, undivided fractional interests of the owners thereof in purchase payments (the "Purchase Payments") to be made by the City as the purchase price of certain property pursuant to a first installment sale agreement, dated as of August 1, 2020, by and between the Corporation and the City (the "First Installment Sale Agreement"). Such purchase payments are derived from installment payments (the "Installment Payments") made by the Corporation to the City pursuant to a second installment sale agreement, dated as of August 1, 2020, by and between the City and the Trustor (the "Second Installment Sale Agreement"). The obligation of the City to make Purchase Payments is limited exclusively to Installment Payments received by the Trustee. Pursuant to a first assignment agreement, dated as of August 1, 2020, by and between the City and the Trustee (the "First Assignment Agreement"), the City will assign to the Trustee its right to receive the Installment Payments from the Corporation. Pursuant to a second assignment agreement, dated as of August 1, 2020, by and between the Corporation and the Trustee (the "Second Assignment Agreement"), the Corporation will assign to the Trustee its right to receive the Purchase Payments from the City.

(c) Pursuant to a Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, dated as of August 1, 2020 (as amended and supplemented from time to time the "Deed of Trust"), the Corporation will grant _____ Title Company, as trustee under the Deed of Trust (the "Deed of Trust Trustee"), a first lien on, and security interest in, the Pledged Property (as defined in the Trust Agreement), subject to Permitted Encumbrances (as defined in the Trust Agreement), as security for, among other things, the Installment Payments required to be made by the Corporation pursuant to the Second Installment Sale Agreement. The Certificates will be further secured by an assignment to the Trustee, on behalf of the Purchaser as Owner of the Certificates thereof, of the right, title and interest of the City in the Second Installment Sale Agreement to the Trustee to the extent and as more particularly described in the Trust Agreement. All capitalized terms used herein and not otherwise defined

shall have the meaning specified in the Trust Agreement or the Second Installment Sale Agreement.

(d) At 8:00 A.M., California time, on August 11, 2020, or at such earlier or later time or date as shall be agreed by the City, the Purchaser and the Corporation (such time and date being herein referred to as the "Closing Date"), the Trustee will deliver to the Purchaser, the Certificates in the form of a separate single fully registered Certificate (which may be typewritten) duly executed by the City and authenticated by the Trustee, and in Larkspur, California, the other documents herein mentioned; and the Purchaser will accept such delivery and pay the purchase price of the Certificates as set forth in paragraph (a) of this Section 1 by wire transfer of immediately available funds to the Trustee (such delivery and payment being herein referred to as the "Closing").

2. Private Placement. The Purchaser represents and warrants to the City and the Corporation that:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Certificates to be able to evaluate the risks and merits of the acquisition of the Certificates.

(b) The Purchaser is acquiring the Certificates for its own account and not with a present intent to, or for sale in connection with, any distribution of the Certificates or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Certificates or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the Certificates; *provided, however*, such representation shall not preclude the Purchaser from transferring or selling of the Certificates in accordance with the Trust Agreement. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the Certificates. The Purchaser intends to book and hold the Certificates as a loan in its loan portfolio and, therefore, the Purchaser, as a condition to purchasing the Certificates, has required that Section 602(c) be added to the Trust Agreement.

(c) The Purchaser has made its own credit inquiry and analysis with respect to the Corporation and the Certificates and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the Corporation set forth herein and in the information set forth in any materials submitted to the Purchaser by the Corporation. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information regarding the Corporation, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Corporation and the Certificates.

(d) The Purchaser understands that the Certificates have not been registered under the Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Certificates by it, and further acknowledges that any current exemption from registration of the Certificates does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the Certificates and to execute this Certificate Purchase Agreement and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Certificates. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the

Purchaser to make the representations and warranties contained herein by execution of this Certificate Purchase Agreement on behalf of the Purchaser.

(f) The Purchaser acknowledges that the Certificates are transferable with certain requirements, as described in the Trust Agreement.

(g) The Purchaser has been informed that the Certificates are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the Corporation has not undertaken to provide any continuing disclosure with respect to the Certificates; provided, however, that the Corporation has agreed and will agree to provide certain ongoing information directly to the Purchaser as set forth in the Trust Agreement and in the Second Installment Sale Agreement.

(h) The Purchaser is an Approved Buyer, as defined in the Trust Agreement. The Certificates have been privately proposed to the Purchaser without the use of general solicitation or advertising.

(i) The Purchaser understands and acknowledges that the obligation for the payment of debt service with respect to the Certificates is solely that of the Corporation, is in no way an obligation of the City and the Purchaser will never look to the City for such payment.

3. Representations and Agreements of the City. The City represents to and agrees with the Purchaser and the Corporation that:

(a) The City is a municipal corporation and general law city duly organized and existing under the laws of the State of California and has full power and authority to adopt its Resolution No. ____ (the "Resolution"), and to enter into and to perform its obligations under the Trust Agreement, the First Installment Sale Agreement the Second Installment Sale Agreement, the First Assignment Agreement and this Certificate Purchase Agreement (collectively, the "City Documents"). The City has taken all necessary action and has complied with all provisions of the Act required to make the City Documents, when executed and delivered by the respective parties thereto, the legal, valid and binding obligations of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights generally or affecting remedies against agencies such as the City, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases;

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has authorized and approved the execution and delivery of the City Documents and the consummation by the City of the transactions contemplated thereby;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the City seeking to restrain or enjoin the sale or issuance of the Certificates, or in any way contesting or affecting any proceedings of the City taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Certificates, in any way contesting the validity or enforceability of the City Documents or the existence or powers of the City relating to the sale of the Certificates;

(d) The execution and delivery by the City of the City Documents and compliance with the provisions on the City's part contained therein will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City

is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents;

(e) The execution and delivery of this Certificate Purchase Agreement by the City shall constitute a representation by the City to the Purchaser that the representations and agreements contained in this Section 2 are true as of the date hereof; *provided, however*, that as to information furnished by the Corporation, the City is relying solely on such information in making the City's representations and agreements, and as to all matters of law the City is relying on the advice of bond counsel or other counsel to the City; and provided further, that no member, officer, agent or employee of the governing body of the City shall be individually liable for the breach of any representation, warranty or agreement contained herein.

4. Representations and Agreements of the Corporation. The Corporation represents to and agrees with the Purchaser and the City that:

(a) The Corporation is a nonprofit public benefit corporation duly incorporated and in good standing under the laws of the State of California, has full legal right, power and authority to enter into the Trust Agreement, the First Installment Sale Agreement the Second Installment Sale Agreement, the Second Assignment Agreement, this Certificate Purchase Agreement and the Deed of Trust (all such documents being collectively referred to herein as the "Corporation Documents") and to carry out and consummate all transactions contemplated by the Corporation Documents and by proper corporate action has duly authorized the execution and delivery of the Corporation Documents.

(b) The officer of the Corporation executing the Corporation Documents is duly and properly authorized to execute the same on behalf of the Corporation.

(c) This Certificate Purchase Agreement has been duly accepted and agreed to by the Corporation and this Certificate Purchase Agreement constitute or will constitute, as applicable, and at Closing, the Trust Agreement, the First Installment Sale Agreement the Second Installment Sale Agreement, the Second Assignment Agreement and the Deed of Trust will, to the extent of the Corporation's knowledge, constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their respective terms (assuming due execution and delivery by the other parties thereto, as applicable); except as enforcement of each of the above-named documents may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, including without limitation, self-help remedies and applicable foreclosure procedures, and by the application of equitable principles and judicial discretion, and except as the enforcement of the indemnification provisions contained herein and therein may be limited by applicable securities laws or held to be against public policy.

(d) The Corporation is not in any material way in breach of or default under any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which default would materially adversely affect the financial position or operations of the Corporation taken as a whole.

(e) The approval of this Certificate Purchase Agreement, and at the Closing, the execution and delivery of the Corporation Documents, and the consummation of the

transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Corporation, any of its respective bylaws or any applicable law or administrative rule or regulation, or, to the knowledge of the Corporation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which any of them or any of its their properties are is otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance that would materially and adversely affect the consummation of the transactions contemplated by the Corporation Documents or would materially adversely affect the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings, as to which no representation is made) is necessary in connection with the execution and delivery of the Corporation Documents; or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect will be in full force and effect at the Closing).

(g) There is no action, suit, proceeding, inquiry or investigation before or by any court of federal, state, municipal or other government authority pending or, to the knowledge of the Corporation, threatened against or affecting any of its assets, properties or operations, including, but not limited to, the Facilities, which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Corporation Documents or would have a material and adverse effect upon the financial condition, assets, properties or operations of the Corporation and the Corporation is not in breach of or default with respect to (a) any applicable law or administrative regulation of the State of California or the United States of America or (b) any applicable judgment, order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default would materially and adversely affect the consummation of the transactions contemplated by the Corporation Documents or the financial condition, assets, properties or operations of the Corporation.

(h) The Corporation is an organization described in Section 501(c)(3) of the Internal Revenue of 1986, as amended (the "Code"), is not a private foundation as described in Section 509(a) of the Code, or corresponding provisions of prior law, and is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code.

(i) The Corporation is a corporation organized and operated exclusively for charitable purposes, not for pecuniary profit, no part of the net earnings of which inures to the benefit of any private share-holder or individual.

(j) The Corporation has all necessary corporate power and authority to conduct all business now being conducted by it.

(k) The Corporation has good and marketable title to the Facilities free and clear from all encumbrances, other than Permitted Encumbrances.

(l) The Corporation is solvent, and since June 30, 2019, the Corporation has not incurred any material liability, direct or contingent, except in the ordinary course of business, nor has there been any material adverse change in the financial position, results of operation or condition, financial or otherwise, of the Corporation since June 30, 2019, whether or not arising from transactions in the ordinary course of business.

(m) Between the date hereof and the Closing Date, the Corporation will not, without the prior written consent of the Purchaser, incur any material liabilities, direct or contingent, other than in the ordinary course of business.

(n) The Corporation shall pay the reasonable expenses described in Section 7 of this Certificate Purchase Agreement

(o) The proceeds of the Certificates will not be used by an “exempt person” in an “unrelated trade or business” within the meaning of Section 513(a) of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest with respect to any of the Certificates under Section 103 of said Code.

(p) The Corporation has such permits, licenses, franchises, certificates and other approvals or authorizations of governmental or regulatory authorities as are necessary under applicable law to own the Facilities and to conduct its business (including without limitation such permits as are required under such federal, state and other health care laws, and under licensure laws and such insurance laws and regulations, as are applicable thereto), and with respect to those Facilities and other businesses that participate in Medicare and/or Medi-Cal, to receive reimbursement under Medicare and Medi-Cal.

(q) The representations, warranties and covenants of the Corporation contained in the other Corporation Documents to which the Corporation is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference herein as if each and every such representation, warranty, covenant and definition were set forth herein in its entirety, and the representations and warranties made by the Corporation in such Sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or covenants or definitions made pursuant to the relevant Corporation 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.

(r) The Corporation is not (a) an “investment company” or a Person “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940 nor (b) a “holding company” as defined in, or subject to regulation under the Public Utility Holding Company Act of 1935.

(s) There is no amendment, or to the knowledge of the Corporation, proposed amendment to the Constitution of the State of California or any State of California 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 adversely affect the issuance of the Certificates, the security for the Certificates, the creation, organization, or existence of the Corporation or the titles to office of any officers executing any Corporation Document or the Corporation’s ability to repay the Certificates.

(t) The Corporation has no subsidiaries or affiliates.

(u) Neither the Corporation's business nor any Facility is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which would have a material adverse effect.

(v) The Corporation is in compliance in all material respects with all federal, state and local laws, regulations, quality and safety standards, accreditation standards and requirements of all federal, state or local governmental authorities including, without limitation, Medicare and Medi-Cal laws and regulations and those relating to the quality and adequacy of medical care, distribution of pharmaceuticals, rate setting, equipment, personnel, operating policies, additions to facilities and services and fee splitting. Without limiting the generality of any other representation or warranty made herein, the Corporation and each of the Facilities and, to any to the best of its knowledge, its licensed employees and contractors (other than contracted agencies) in the exercise of their respective duties on behalf of the Corporation or and each of the Facilities, is in compliance in all material respects with all applicable statutes, laws, ordinances, rules and regulations of any federal, state or local governmental authority with respect to regulatory matters primarily relating to patient healthcare (including without limitation Section 1128B(b) of the Social Security Act, as amended, 42 U.S.C. Section 1320a 7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti-Kickback Statute," and the Social Security Act, as amended, Section 1877, 42 U.S.C. Section 1395 (Prohibition Against Certain Referrals), commonly referred to as the "Stark Statute" and Section 330 and Section 340B of the Public Health Services Act relating to the creation and administration of federally qualified health centers (collectively, "Healthcare Laws")). The Corporation has maintained in all material respects all records required to be maintained by The Joint Commission, the Food and Drug Administration, Drug Enforcement Agency and State Boards of Pharmacy and the federal and state Medicare and Medi-Cal programs as required by the Healthcare Laws and, to the knowledge of the Corporation, there are no presently existing circumstances which would result or likely would result in material violations of the Healthcare Laws. To the knowledge of the Corporation, there currently exist no material restrictions, deficiencies, required plans of correction actions or other such remedial measures with respect to federal and state Medicare and Medi-Cal certifications or licensure surveys. Each Facility is in compliance in all material respects with all requirements for participation in Medicare and Medi-Cal, including, without limitation, the Medicare and Medicaid Patient Protection Act of 1987; each Facility is in conformance in all material respects in with all insurance, reimbursement and cost reporting requirements, and has a current provider agreement which is in full force and effect under Medicare and Medi-Cal, to the extent that the failure to comply would not result in a material adverse effect on the Corporation.

(w) The Trust Agreement creates an irrevocable first lien on amounts pledged under the Trust Agreement.

5. Conditions to the Obligations of the Purchaser. The obligation of the Purchaser to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations, warranties and agreements on the part of the Corporation contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof, and to the performance by the City, the Corporation and the Trustee of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement and the Deed of Trust shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser and said agreements shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Purchaser and there shall have been taken in connection therewith, with the execution and delivery of the Certificates and with the transactions contemplated thereby and by this Certificate Purchase Agreement, all such actions as, in the opinion of Quint & Thimmig LLP, bond counsel (“Special Counsel”), shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date, the purchase price of the Certificates shall not have been materially adversely affected, in the reasonable judgment of the Purchaser, by reason of any of the following:

(i) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommended for passage by the President of the United States, the Secretary of the Treasury or any member of Congress, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed), official statement, press release or other form of notice or communication issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States, by the President or other agency of the federal government or members of Congress with the purpose or effect, directly or indirectly, of imposing federal income taxation upon interest as would be received by the Purchaser as the owner of the Certificates;

(ii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency, or there shall have occurred any other outbreak or escalation of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak or escalation, calamity or crisis being such as, in the reasonable opinion of the Purchaser, would affect materially and adversely the ability of the Purchaser to purchase the Certificates;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iv) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, commercial banks similar to the Purchaser;

(v) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (A) obligations of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as

amended, or (B) the execution and delivery of obligations of the general character of the Certificates, or the execution and delivery of the Certificates, including any or all underlying obligations, as contemplated hereby, is or would be in violation of the federal securities laws as amended and then in effect; or

(vi) there shall have occurred any materially adverse change in the affairs or financial condition of the Corporation.

(c) At or prior to the Closing Date, the Purchaser shall have received the following documents, in each case satisfactory in form and substance to the Purchaser and its counsel Nixon Peabody, LLP:

(i) The Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement and the Deed of Trust duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to in writing by the Purchaser;

(ii) An approving opinion, dated the Closing Date and addressed to the City, of Special Counsel, together with a reliance letter addressed to the Purchaser and a supplemental opinion, dated the Closing Date and addressed to the City and the Purchaser, to the effect that:

(A) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(B) this Certificate Purchase Agreement has been duly executed and delivered by the City and, assuming due authorization, execution and delivery by and validity against the Purchaser and the Corporation, is valid and binding upon the City, subject to bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally, and to the application of such principles of equity as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(iii) An opinion, dated the Closing Date and addressed to the City and to the Purchaser, of counsel to the Corporation, in substantially the form attached hereto as Exhibit B;

(iv) An opinion of the City Attorney, addressed to the City and the Purchaser, in substantially in the form attached hereto as Exhibit C.

(v) A certificate, dated the Closing Date and signed by an authorized official of the City, to the effect that:

(A) the City has fulfilled or performed each of its obligations contained in the City Documents required to be fulfilled or performed by it as of the Closing Date and

(B) the representations and agreements made by the City in the Certificate Purchase Agreement are true and correct in all material respects on the Closing Date, with the same effect as to the facts as of the Closing Date.

(vi) A certificate of the President & Chief Executive Officer of the Corporation, or such other officer as is acceptable to the Purchaser, dated the Closing Date, to the effect that:

(A) no litigation is pending or, to the knowledge of such officer, threatened (1) to restrain or enjoin the execution or delivery of any of the Certificates or the collection of Revenues pledged under the Trust Agreement or the payment of Installment Payments, (2) in any way contesting or affecting the authority for the execution and delivery of the Certificates by the Trustee or the validity of the Certificates, the Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement or the Deed of Trust, or (3) in any way contesting the corporate existence or powers of the Corporation in connection with the transactions contemplated by the Certificate Purchase Agreement;

(B) no proceedings are pending or, to the knowledge of such officer, threatened in any way contesting or affecting the Corporation's status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or which would subject any income of the Corporation (other than unrelated business income pursuant to Section 511 of the Code) to federal income taxation;

(C) the representations and warranties made by the Corporation in the Second Installment Sale Agreement and herein are true and correct as of the date hereof; and

(D) all resolutions necessary in connection with the transactions contemplated by this Certificate Purchase Agreement, the Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the Second Assignment Agreement and the Deed of Trust have been adopted, have not been amended, modified or rescinded, and are effective as of the Closing Date;

(vii) A certified copy of the resolution of the City authorizing the execution and delivery of the City Documents;

(viii) Certified copies of the articles of incorporation and good standing certificate of recent date, each certified by the Secretary of State of the State of California, for the Corporation;

(ix) A good standing certificate of recent date for the Corporation certified by the Franchise Tax Board of the State of California;

(x) Evidence that the Corporation is an organization described in Section 501(c)(3) of the Code and is exempt from California income tax;

(xi) Certified copies of the Corporation's bylaws and resolutions of its board of directors authorizing the execution and delivery of the Corporation Documents;

(xii) A tax certificate in form satisfactory to Special Counsel and the Purchaser;

(xiii) An opinion of counsel to the Trustee, addressed to the City, in form and substance acceptable to Special Counsel and to the Purchaser;

(xiv) A certificate of the Trustee, dated the Closing Date and signed by an authorized representative of the Trustee, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has all necessary power and authority to enter into and perform its duties under the Trust Agreement;

(B) The Trustee is duly authorized to enter into the Trust Agreement, the First Assignment Agreement and the Second Assignment Agreement and has duly executed and delivered the Trust Agreement, the First Assignment Agreement and the Second Assignment Agreement;

(C) The Certificates have been duly executed and delivered by the Trustee;

(D) The execution and delivery of Trust Agreement, the First Assignment Agreement, the Second Assignment Agreement and the Certificates and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is or may be bound; provided, however, the Trustee need not make any representations and warranties with respect to compliance with any federal and state securities laws; and

(E) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, served upon or, to the best of the Trustee's knowledge, threatened against the Trustee, affecting the existence of the Trustee, or the entitlement of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Certificates or the collection of revenues pledged or to be pledged to pay the principal, redemption premium, if any, and interest represented by the Certificates, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement, the First Assignment Agreement, the Second Assignment Agreement or the Certificates; or contesting the power or authority of the Trustee to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement, the First Assignment Agreement, the Second Assignment Agreement or the Certificates;

(xv) Copies of such permits or licenses as are requested by the Purchaser or the City and which the Corporation is required to have in order to operate its Facilities;

(xvi) A policy of title insurance in form and substance reasonably acceptable to the Purchaser and to Special Counsel;

(xvii) Certificates of insurance as required by the Purchaser;

(xviii) A copy of the completed Form 8038 of the Internal Revenue Service, executed by the City; and

(xix) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser or Special Counsel may reasonably request to evidence compliance by the City and the Corporation, with legal requirements of this transaction, the truth and accuracy, as of the Closing Date, of the representations of the Corporation contained herein, and the due performance or satisfaction by the City and the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City and the Corporation.

If the Trustee, the City or the Corporation shall be unable to satisfy the conditions to the Purchaser' obligations contained in this Certificate Purchase Agreement or if the Purchaser' obligations shall be terminated for any reason permitted herein, this Certificate Purchase Agreement shall terminate and neither the Purchaser, the Trustee, the City, nor the Corporation, shall have any further obligation hereunder except as provided in Section hereof.

Notwithstanding the forgoing, the Purchaser shall have no obligation to purchase the Certificates if, for any reason, it does not have final credit approval by the Closing Date.

6. Conditions to the Obligations of the City. The obligations of the City under the City Documents on the Closing Date shall be subject to the performance by the Purchaser and the Corporation of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) The City Documents shall have been executed by the respective parties thereto;

(b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or execution and delivery of the Certificates as contemplated hereby;

(c) The documents contemplated by Sections 4(c)(i), (ii), (iv), (xi), (xii), (xiv), (xvi) and (xxii) shall have been delivered substantially in the forms set forth herein to the City in form and substance satisfactory to Special Counsel and counsel to the City.

7. Expenses. All reasonable expenses and costs of the District incident to the performance of its obligations in connection with the authorization, issuance and sale of the Certificates to the Purchaser, including printing costs, fees and expenses of the Trustee, fees and expenses of consultants and reasonable fees and expenses of Special Counsel, counsel to the District and counsel to the Purchaser and California Debt Advisory Commission fees, shall be paid by the District. All fees and expenses to be paid by the District pursuant to this Certificate Purchase Agreement may be paid from Bond proceeds to the extent permitted by the Trust Agreement. All out-of-pocket expenses of the Purchaser, including travel and other expenses, shall be paid by the Purchaser.

8. Limitation of Liability of City. The City shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions of any conceivable kind under any conceivable theory under this Certificate Purchase Agreement or any document or instrument referred to herein or by reason of or in connection with this Certificate Purchase Agreement or other document or instrument except to the extent it receives amounts from the Corporation available for such purpose.

9. Notices. Any notice or other communication to be given under this Certificate Purchase Agreement may be given by delivering the same in writing to (a) the City at the City's address, set forth above, (b) the Corporation at the Corporation's address, set forth above and (c) the Purchaser, c/o First Foundation Bank, First Foundation Bank, 2233 Douglas Boulevard, Suite 300, Roseville, CA 95661 Attention: Mr. Trevor Mael, Vice President. The approval of the Purchaser when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the Purchaser and delivered to you.

10. Counterparts. This Certificate Purchase Agreement may be executed in any number of counterparts (including counterparts represented by facsimile copies and/or containing facsimile signatures) and each of such counterparts shall for all purposes be deemed an original, and all shall constitute but one and the same instrument.

11. Parties; Governing Law; Venue. This Certificate Purchase Agreement is made solely for the benefit of the City, the Corporation and the Purchaser (including the successors or assigns of any of the Purchaser) and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. This Certificate Purchase Agreement shall be governed by the laws of the State of California and any action arising out of this Certificate Purchase Agreement shall be filed and maintained in Sutter County, unless the City expressly waives this requirement.

By FIRST FOUNDATION BANK, *as*
Purchaser

By _____
Authorized Signatory

Accepted and Agreed to:

CITY OF YUBA CITY

By _____
Authorized Signatory

Approved:

AMPLA HEALTH

By _____
Authorized Signatory

Signature Page to Certificate Purchase Agreement -
CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owner Thereof in Purchase Payments to be Made by the
CITY OF YUBA CITY, CALIFORNIA,
As the Purchase Price of Certain Property
Pursuant to a First Installment Sale Agreement with
AMPLA HEALTH

LIST OF EXHIBITS TO CERTIFICATE PURCHASE AGREEMENT

Exhibit A	Redemption Provisions with respect to the Certificates
Exhibit B	Form of Opinion of Counsel to the Corporation
Exhibit C	Form of Opinion of Counsel to the City

EXHIBIT A

REDEMPTION PROVISIONS WITH RESPECT TO THE CERTIFICATES

Optional Redemption. The Certificates are subject to optional redemption in whole on any date, upon at least forty-five (45) days prior written notice to the Purchaser and the Trustee from the Corporation, from the proceeds of the optional prepayment of Installment Payments made by the Corporation pursuant to the Second Installment Sale Agreement (and, therefore, Purchase Payments to be made by the City pursuant to the First Installment Sale Agreement), derived from any source of available moneys, at a redemption price equal to the principal amount of the Certificates called for redemption, together with accrued interest to the date fixed for redemption, plus a premium, as shown in the following table:

<u>Redemption Period</u>	<u>Redemption Premium</u>
Closing Date through July 31, 2022	3%
August 1, 2022, through July 31, 2024	2
August 1, 2024, through July 31, 2026	1
August 1, 2026, and thereafter	0

Notwithstanding the foregoing, the Certificates are subject to optional redemption prior to their stated maturity, once per year on any Interest Payment Date, in part, in inverse order of sinking fund payment dates, up to 15% of the outstanding principal amount of the Certificates, upon at least forty-five (45) days prior written notice to the Purchaser and the Trustee from the Corporation, at a redemption price equal to the principal amount of the Certificates called for redemption, together with accrued interest to the date fixed for redemption, from the proceeds of the optional prepayment of Installment Payments made by the Corporation pursuant to the Second Installment Sale Agreement (and, therefore, Purchase Payments to be made by the City pursuant to the First Installment Sale Agreement), derived from any source of available moneys (other than the proceeds of a refinancing or new borrowing), without premium.

Mandatory Sinking Fund Redemption. The Certificates are subject to redemption prior to their stated maturity, in part, by lot, from Mandatory Sinking on the first day of each February and August, commencing August 1, 2021, to and including August 1, 2040, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment</u>	<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment</u>
2/1/21		2/1/31	
8/1/21		8/1/31	
2/1/22		2/1/32	
8/1/22		8/1/32	
2/1/23		2/1/33	
8/1/23		8/1/33	
2/1/24		2/1/34	
8/1/24		8/1/34	
2/1/25		2/1/35	
8/1/25		8/1/35	
2/1/26		2/1/36	
8/1/26		8/1/36	
2/1/27		2/1/37	
8/1/27		8/1/37	
2/1/28		2/1/38	
8/1/28		8/1/38	
2/1/29		2/1/39	
8/1/29		8/1/39	
2/1/30		2/1/40	
8/1/30		8/1/40	

Redemption from Net Proceeds of Insurance or Condemnation. The Certificates are subject to redemption prior to maturity in whole or in part, on any date, in inverse order of their Payment Dates, at the principal amount thereof plus accrued interest to the redemption date, without premium, from the Net Proceeds of insurance or condemnation received with respect to the Facilities and applied to the prepayment of Purchase Payments.

EXHIBIT B

FORM OF OPINION OF CORPORATION COUNSEL

[Closing Date]

City of Yuba City
1201 Civic Center Boulevard
Yuba City, California 95993

First Foundation Bank
2233 Douglas Boulevard, Suite 300
Roseville, California 95661

Re: \$10,000,000 Certificates of Participation Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Purchase Payments to be Made by the City of Yuba City, California, As the Purchase Price of Certain Property Pursuant to a First Installment Sale Agreement with Ampla Health

Ladies and Gentlemen:

I have acted as special counsel to Ampla Health (the "Corporation"), a California nonprofit public benefit corporation, in connection with the execution and delivery of certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in purchase payments (the "Purchase Payments") to be made by the City of Yuba City, California (the "City") as the purchase price of certain property pursuant to a first installment sale agreement, dated as of August 1, 2020, by and between the Corporation and the City (the "First Installment Sale Agreement"). The Purchase Payments are derived from installment payments (the "Installment Payments") made by the Corporation to the City pursuant to a second installment sale agreement, dated as of August 1, 2020, by and between the City and the Trustor (the "Second Installment Sale Agreement"). The obligation of the City to make Purchase Payments is limited exclusively to Installment Payments. Pursuant to a first assignment agreement, dated as of August 1, 2020, by and between the City and the Trustee (the "First Assignment Agreement"), the City will assign to U.S. Bank National Association (the "Trustee:") its right to receive the Installment Payments from the Corporation. Pursuant to a second assignment agreement, dated as of August 1, 2020, by and between the Corporation and the Trustee (the "Second Assignment Agreement"), the Corporation will assign to the Trustee its right to receive the Purchase Payments from the City.

The Certificates are being sold pursuant to the Certificate Purchase Agreement, dated July 30, 2020 (the "Certificate Purchase Agreement"), by and among the City, First Foundation Bank (the "Purchaser") and the Corporation. Capitalized terms used herein, unless otherwise defined, shall have the meanings set forth in the Certificate Purchase Agreement.

In connection with this opinion, I have assumed the authenticity of all records, documents, and instruments submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents, and instruments submitted to us as copies. I also have assumed that there are no facts or circumstances relating to any other parties that might prevent the other parties from enforcing any of the rights to which our opinion relates (for example, lack of due incorporation,

regulatory prohibitions, or failure to qualify to do business in the State of California). I have based our opinion upon our review of the following records, documents and instruments:

- (a) An executed counterpart of the Certificate Purchase Agreement.
- (b) An executed counterpart of the Trust Agreement.
- (c) An executed counterpart of the First Installment Sale Agreement.
- (d) An executed counterpart of the Second Installment Sale Agreement.
- (e) An executed counterpart of the Second Assignment Agreement.
- (f) An executed counterpart of the Deed of Trust.
- (g) The UCC-1 Financing Statement.
- (h) Executed counterparts of the various closing certificates of the Corporation, including the Corporation's Officer's Certificate, delivered at Closing.
- (i) The Articles of Incorporation and the Bylaws of the Corporation, each as amended to date, and certified by the Secretary of the State of California and by an officer of the Corporation, respectively.
- (j) Resolution adopted by the City authorizing the execution and delivery of the Certificates.
- (k) Resolutions (the "Corporation's Resolutions") relating to the transactions herein referred to, adopted by the Board of Directors of the Corporation.
- (l) Letter from the Internal Revenue Service (the "IRS"), dated _____, confirming that the Corporation is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Code Section 501(c)(3), and determining that the Corporation is not a private foundation within the meaning of Code Section 509(a).

The documents and instruments listed in items (a) through (f) above are collectively referred to herein as the "Transaction Documents."

Where our opinion relates to our "knowledge," such knowledge is based upon our examination of the records, documents, instruments, and certificates enumerated or described above and the actual knowledge of attorneys in this firm who are currently involved in substantive legal representation of the Corporation. With your consent, I have not examined any records of any court, administrative tribunal or other similar entity in connection with our opinion expressed in paragraphs 5 and 7 below. Except as described herein, I have undertaken no investigation or verification of such matters and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such an investigation.

Based upon the foregoing and our examination of such questions of law as I have deemed necessary or appropriate for the purpose of this opinion, and subject to the limitations and qualifications expressed below, it is our opinion that:

1. The Corporation (a) is a nonprofit public benefit corporation duly incorporated and validly existing under the laws of the State of California, (b) has all requisite corporate power and authority to conduct the business that is now being conducted by it and as contemplated by the Transaction Documents, and (c) has all requisite corporate authority to execute and deliver the other Transaction Documents, and to carry out and consummate all transactions contemplated therein.

2. The Corporation's Resolutions authorizing the Transaction Documents were duly adopted at meetings of the Corporation's Board of Directors with all notice required by law and under its bylaws at each such meeting a quorum was present and continuous throughout and have not been amended or rescinded.

3. The Transaction Documents have each been duly authorized by all necessary corporate action and duly executed and delivered on behalf of the Corporation, and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents will constitute the valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their respective terms.

4. Neither (a) the execution and delivery by the Corporation of the Transaction Documents, nor (b) the consummation of the transactions therein contemplated and the fulfillment of or compliance by the Corporation with the terms and conditions thereof, will in any material respect (i) conflict with or constitute a violation or breach of or a default (with the giving of notice or the passage of time or both) under the Articles of Incorporation or Bylaws of the Corporation, or, to our knowledge, any applicable corporate law or administrative rule or regulation (except for state or federal blue sky or securities laws, as to which I express no opinion), or, to our knowledge, any applicable court or administrative decree or order or any material contract, agreement or instrument to which any Corporation is a party or by which it or its properties are otherwise subject or bound and of which I am aware, or (ii) to our knowledge, result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation, except for the liens created under the Transaction Documents, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Transaction Documents.

5. To our knowledge, no consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery by the Corporation of the other Transaction Documents, or the consummation by the Corporation of any transaction therein contemplated, except as have been obtained or made and as are in force and effect. I express no opinion as to any approvals, obligations or consents as may be required under any state or federal blue sky or securities laws.

6. To our knowledge, (a) there is no action, suit, proceeding, inquiry or investigation pending before or threatened by any court or federal, state, municipal or other governmental authority against the Corporation or the assets, properties or operations of such entity, which, if determined adversely to its interests, would have a material and adverse effect upon (i) the consummation of the transactions contemplated by, or the validity of, the Transaction Documents, (ii) the consummation of the transactions contemplated by the Certificates, (iii) the financial condition, assets, properties or operations of the Corporation, or (iv) the security for payment of the Certificates, and (b) the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that

would materially and adversely affect the consummation of the transactions contemplated by the Transaction Documents.

7. The Corporation has been determined by the Internal Revenue Service to be an organization described in section 501(c)(3) of the Code and as such is exempt from federal income taxation under section 501(a) of the Code, with the exception of taxation of any income deemed to be unrelated business taxable income subject to taxation under Section 511 of the Code. The Corporation has received a letter from the Internal Revenue Service confirming that it is an organization described in Section 501(c)(3) of the Code, which letter, to our knowledge, has not been modified, limited, or revoked.

8. Pursuant to the Second Installment Sale Agreement, the Corporation has granted a security interest in the Gross Revenues (as defined in the Trust Agreement) to secure payment of the Loan Payments (as defined in the Trust Agreement) and entered into a UCC-1 Financing Statement related to the Gross Revenues.

9. The Deed of Trust is in the proper form for recording in the real estate records of the Sutter County, California, Assessor-Recorder, the only office in which it is required to be recorded. Upon recording, the Deed of Trust will create a valid lien on the real property as described therein as security for the payment of Obligations of the Corporation as defined therein.

10. The loan evidenced and secured by the Transaction Documents is not usurious under the laws of the State of California.

11. The Resolution of the Corporation authorizing the Transaction Documents was duly adopted at a meeting of the Corporation's Board of Trustees with all notice required by law and under its bylaws at which a quorum was present and continuous throughout.

This opinion is limited to the federal laws of the United States of America and the laws of the State of California. I disclaim any opinion as to the laws of any other jurisdiction and I further disclaim any opinion as to any statute, rule, regulation, ordinance, order or other promulgation of any regional or local governmental body. This opinion is based upon the law in effect on the date hereof, and I assume no obligations to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise. In connection with this opinion letter, I also have assumed the following: (a) consideration has been duly given under the Transaction Documents, (b) the Corporation is the legal, beneficial and record owners of the collateral described in any Transaction Documents and the descriptions of collateral in the Transaction Documents sufficiently describe the collateral intended to be covered by such documents, (c) any lien documents are in suitable form, notarized if required, and duly filed or recorded with the appropriate government offices, (d) the Transaction Documents accurately describe the mutual understanding of the parties thereto, and that there are no oral or written statements that modify, amend, or vary, or purport to modify, amend, or vary, any of the terms of the Transaction Documents, (e) the information, factual matters, representations and warranties contained in the Transaction Documents, records, certificates and other documents I have reviewed are true, correct and complete and (f) the other parties to Transaction Documents have the proper authority to engage in the transactions contemplated thereunder and at all times have complied and will comply with the Transaction Documents and related documents and with all applicable requirements governing their actions and will act in a commercially reasonable manner.

In connection with this opinion, I advise you that:

A. Enforceability is subject (i) to bankruptcy, insolvency, reorganization, arrangement, moratorium, and other laws of general applicability relating to or affecting creditors' rights, (ii) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law, (iii) to limitations imposed by applicable law or public policy on the enforceability of the indemnification provisions, and (iv) to the qualification that certain waivers, procedures, remedies, and other provisions of the Transaction Documents may be unenforceable under or limited by applicable law.

B. The enforceability of the Transaction Documents is further subject to the effect of general principles of equity. These principles include, without limitation, concepts of commercial reasonableness, materiality, good faith and fair dealing. These principles require the parties to act reasonably, in good faith and in a manner that is not arbitrary or capricious in the administration and enforcement of the Transaction Documents and will preclude them from invoking penalties for defaults that bear no reasonable relation to the damage suffered or that would otherwise work a forfeiture.

C. The enforceability of any Transaction Documents is also subject to the effects of (i) Section 1301 of the California Uniform Commercial Code (the "UCC"), which provides that obligations of good faith, diligence, reasonableness and care prescribed by the UCC may not be disclaimed by agreement, although the parties may by agreement determine the standards by which the performance of such obligations is to be measured if those standards are not manifestly unreasonable, (ii) Section 1304 of the UCC, which imposes an obligation of good faith in the performance or enforcement of a contract and (iii) California Civil Code Section 1670.5, which provides that a court may refuse to enforce, or may limit the enforcement of, a contract or any clause of a contract that a court finds as a matter of law to have been unconscionable at the time it was made.

D. The effectiveness of indemnities, rights of contribution, exculpatory provisions and waivers of the benefits of statutory provisions may be limited on public policy grounds.

E. Section 1717 of the California Civil Code provides that, in any action on a contract where the contract specifically provides that attorneys' fees and costs incurred to enforce that contract shall be awarded either to one of the parties or to the prevailing party, then the party who is determined to be the party prevailing in the action, whether that party is the party specified in the contract or not, shall be entitled to reasonable attorneys' fees in addition to other costs.

F. Any provisions of the Transaction Documents requiring that waivers must be in writing may not be binding or enforceable if a non-executory oral agreement has been created modifying any such provision or an implied agreement by trade practice or course of conduct has given rise to a waiver.

G. Any security interest granted by the Corporation under the UCC shall be limited to the collateral described in the Transaction Documents in which a security interest may attach under Division 9 of the UCC.

H. Perfection of a security interest in proceeds of any collateral may be limited as provided in Section 9306 of the UCC and a security interest in collateral acquired after the respective dates of the applicable security documents will not be

perfected unless the security interest attaches to such collateral and (ii) a deposit account may be limited under Section 9314 of the UCC.

I. The continued perfection of the security interests created by the Transaction Documents and perfected by the filing of the UCC-1 Financing Statement will depend upon the filing of periodic continuation statements relating to the UCC-1 Financing Statement in accordance with the UCC and may depend upon (i) the continued location of the collateral in the State of California; (ii) the continuation of the Corporation's present corporate name, identity and corporate structure; and (iii) the continued location of the Corporation in the State of California within the meaning of the UCC.

J. Any provisions of the Transaction Documents regarding another party's right to apply proceeds of fire or other casualty insurance policies or awards of damages in condemnation proceedings against the Corporation's secured obligations will not be enforceable unless application of such proceeds or damages is reasonably necessary to protect such security interests.

K. I assume that in the enforcement of any lien documents, all parties will act in accordance with applicable statutory and other legal requirements, including applicable case law and that enforcement of rights or remedies thereunder may be limited when imposing fees and charges in the event of default, upon acceleration of the Corporation's obligations for transfers of interests, leases, or grants of junior encumbrances, attempting to secure a deficiency claim before exhausting the secured property or other remedies, among other things.

L. In rendering our opinion, I have relied upon representations that the Corporation has complied with and will at all times continue to comply with the requirements of Code Section 501(c)(3), and that the activities of the Corporation have been and will continue to be conducted strictly in accordance with such Corporation's Articles of Incorporation and Bylaws and the provisions of California nonprofit corporation laws. I have further relied on certain representations, warranties and covenants of the Corporation in the Transaction Documents and given at Closing. Any variations may affect the opinions I am giving.

M. In connection with our opinion, I have not reviewed and express no opinion on (i) financial statements or covenants, financial or audit reports or the consents related thereto or similar provisions requiring financial calculations or determinations, (ii) provisions relating to the occurrence of a "material adverse effect" or similar words, or (iii) parol evidence bearing on interpretation or construction.

I express no opinion as to: (a) the priority of any lien or security interest created, or purported to be created, by any of the Transaction Documents; (b) any securities, tax (except as provided in paragraph 7 above), anti-trust, land use, export, safety, environmental, hazardous materials, choice of law, insurance company or banking laws, rules or regulations; (c) applicable interest rate limitations of California law for loans or forbearances; or (d) the effect on the Corporation's obligations, and any other party's rights, under the Transaction Documents of laws relating to fraudulent transfers and fraudulent obligations set forth in Sections 544 and 548 of the federal Bankruptcy Code and Sections 3439 et seq. of the California Civil Code.

In rendering our opinion, I am expressing no opinion on the validity of the Certificates.

I furnish this opinion as counsel to the Corporation and only the addressees and Quint & Thimmig LLP may rely upon it. This letter shall not be used, quoted, distributed, circulated or relied upon by any other person or entity for any purpose, without our prior written consent.

Respectfully submitted,

EXHIBIT C TO
FORM OF OPINION OF THE CITY ATTORNEY

City of Yuba City
1201 Civic Center Boulevard
Yuba City, California 95993

First Foundation Bank
2233 Douglas Boulevard, Suite 300
Roseville, California 95661

Re: \$10,000,000 Certificates of Participation Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Purchase Payments to be Made by the City of Yuba City, California, As the Purchase Price of Certain Property Pursuant to a First Installment Sale Agreement with Ampla Health

Ladies and Gentlemen:

I am the City attorney to the City of Yuba City, California (the "City") in connection with the execution and delivery of certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in purchase payments (the "Purchase Payments") to be made by the City as the purchase price of certain property pursuant to a first installment sale agreement, dated as of August 1, 2020, by and between Ampla Health (the "Corporation") and the City (the "First Installment Sale Agreement"). The Purchase Payments are derived from installment payments (the "Installment Payments") made by the Corporation to the City pursuant to a second installment sale agreement, dated as of August 1, 2020, by and between the City and the Trustor (the "Second Installment Sale Agreement"). The obligation of the City to make Purchase Payments is limited exclusively to Installment Payments. Pursuant to a first assignment agreement, dated as of August 1, 2020, by and between the City and the Trustee (the "First Assignment Agreement"), the City will assign to U.S. Bank National Association (the "Trustee:") its right to receive the Installment Payments from the Corporation. Pursuant to a second assignment agreement, dated as of August 1, 2020, by and between the Corporation and the Trustee (the "Second Assignment Agreement"), the Corporation will assign to the Trustee its right to receive the Purchase Payments from the City.

The Certificates are being sold pursuant to the Certificate Purchase Agreement, dated July 30, 2020 (the "Certificate Purchase Agreement"), by and among the City, First Foundation Bank and the Corporation. Capitalized terms used herein, unless otherwise defined, shall have the meanings set forth in the Certificate Purchase Agreement.

In such connection, I have reviewed the resolution adopted by the City Council on July 21, 2020 (the "Resolution"), the Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the Certificate Purchase Agreement and such other documents and matters to the extent I deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. With the delivery of this letter, our engagement with

respect to the Certificates has concluded, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, all parties thereto. We have assumed, without undertaking to verify independently, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the first paragraph hereof. Our engagement with respect to the Certificates was limited to the matters expressly covered by the opinions set out below. We express no opinion as to the validity or enforceability of any of the documents or actions authorized by the Resolution or as to the tax status of interest with respect to the Certificates. Finally, we undertake no responsibility for any offering materials that may be prepared with respect to the Certificates.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, I am of the following opinions:

1. The City is a municipal corporation and general law city duly organized and validly existing under the laws of the State of California.

2. The Resolution was duly adopted at a meeting of the City Council of the City. The Resolution is in full force and effect and has not been amended, modified or superseded.

3. The Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the Certificate Purchase Agreement have each been duly authorized by all necessary corporate action and duly executed and delivered on behalf of the City, and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the Certificate Purchase Agreement will constitute the valid and binding agreements of the City enforceable against the City in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may be subject to the exercise of judicial discretion in accordance with general principles of equity.

This letter is furnished by me as City Attorney. No attorney-client relationship has existed or exists between our firm and any other party by virtue of this letter (other than the City). This letter is solely for the benefit of the addressee hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purposes. This letter is not intended to, and may not, be relied upon by owners of the Certificates or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ATTACHMENT 7

TRUST AGREEMENT

by and among

U.S. BANK NATIONAL ASSOCIATION, as Trustee,

the

CITY OF YUBA CITY

and

AMPLA HEALTH

Dated as of August 1, 2020

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TRUST AGREEMENT

This TRUST AGREEMENT is dated as of August 1, 2020, by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, and qualified to accept trusts of the type herein set forth (herein called the "Trustee"), the CITY OF YUBA CITY, a municipal corporation and general law city and existing under the laws of the State of California (herein called the "City"), and AMPLA HEALTH, a nonprofit public benefit corporation organized and existing under the laws of the State of California (herein called the "Corporation");

WITNESSETH:

In consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section 101. Definitions. Unless the context clearly otherwise requires, all capitalized terms used herein shall have the meanings assigned to such terms in Exhibit A attached hereto.

Section 102. Content of Certificates and Opinions. Every certificate or opinion provided for in this Trust Agreement with respect to compliance with any provision hereof shall include (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether or not, in the opinion of such Person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the City may be based, insofar as it relates to legal, accounting or facility matters, upon a certificate or opinion of or representation by counsel, an Accountant or an Independent Consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an Accountant or an Independent Consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City) upon a certificate or opinion of or representation by an officer of the City, unless such counsel, Accountant or Independent Consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the City, or the same counsel or Accountant or Independent Consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Trust Agreement, but different officers, counsel, Accountants or Independent Consultants may certify to different matters, respectively.

Section 103. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

RECITALS AND REPRESENTATIONS

Section 201. First Installment Sale Agreement. The Corporation has entered into the First Installment Sale Agreement with the City whereby the Corporation has agreed to sell the Facilities to the City and the City has agreed to purchase the Facilities from the Corporation.

Section 202. Deposit of Moneys. Under the First Installment Sale Agreement, in order to assure the City that amounts required to redeem the 2016 Bonds and to pay Delivery Costs and Project Costs will be paid without delay and that the Facilities will be available for purchase without delay, the Corporation is required to deposit with or transfer to the Trustee, for further deposit or transfer as required, the aggregate sum of \$10,000,000, representing proceeds of the Certificates.

Section 203. Purchase Payments. Under the First Installment Sale Agreement, the City is obligated to pay to the Corporation, or its assignee, Purchase Payments for the purchase of the Facilities, which Purchase Payments have a principal component and an interest component and are subject to prepayment with, in certain instances, a premium. The obligation of the City to make Purchase Payments is a special obligation payable solely from Revenues.

Section 204. Second Assignment Agreement. For the purpose of obtaining the moneys required to be deposited by it with the Trustee, the Corporation has assigned and transferred its rights under the First Installment Sale Agreement to the Trustee pursuant to the Second Assignment Agreement, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver, upon written request from the City, certificates of participation, each evidencing a direct, undivided fractional interest in Purchase Payments to be made by the City to the Corporation.

Section 205. Second Installment Sale Agreement; First Assignment Agreement. The parties hereto acknowledge that on the date hereof, the City has entered into the Second Installment Sale Agreement whereby the City has agreed to sell the Facilities back to the Corporation, and that the City has assigned to the Trustee all of its rights under the Second Installment Sale Agreement by the First Assignment Agreement and the Corporation has assigned all of its rights under the First Assignment Agreement to the Trustee pursuant to the Second Assignment Agreement.

Section 206. Conditions Precedent Satisfied. All acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

ARTICLE III

APPOINTMENT OF TRUSTEE

Section 301. Appointment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Corporation and the City hereby agree to appoint the Trustee to receive, hold, invest and disburse the moneys to be paid to it as assignee pursuant to the First Installment Sale Agreement and the Second Installment Sale Agreement for credit to the various funds and accounts established by this Trust Agreement; to execute and deliver the Certificates upon written request from the City; to apply and disburse the Purchase Payments to the Owners of Certificates; and to perform certain other functions, all as hereinafter provided and subject to the terms and conditions of this Trust Agreement.

Section 302. Acceptance of Appointment. In consideration of the compensation hereinafter provided for, the Trustee accepts the appointment above-referenced subject to the terms and conditions of this Trust Agreement.

ARTICLE IV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS; PLEDGE

Section 401. Establishment of Trust Fund, Accounts and Pledge.

(a) *Trust Fund.* There is hereby established with the Trustee a special trust fund to be designated the "Trust Fund." The Trustee shall keep the Trust Fund separate and apart from all other funds and moneys held by it. Within the Trust Fund, there are hereby established the Delivery Costs Account more particularly described in Section 402 hereof, the Project Account more particularly described in Section 403 hereof, the Purchase Payment Account more particularly described in Section 404 hereof and the Insurance and Condemnation Proceeds Fund more particularly described in Section 405 hereof. The Trustee shall keep such accounts separate and apart from all other funds and accounts held by it and shall administer such accounts as provided in such Sections. On the Closing Date, the Trustee, as assignee of the City under the First Assignment Agreement and as assignee of the Corporation under the Second Assignment Agreement, agrees to receive \$10,000,000.00 from the proceeds of the sale of the Certificates, \$_____ of which is required to be transferred to the 2016 Trustee (being an amount equal to the outstanding principal amount of the 2016 Bonds plus accrued interest from August 1, 2020, to and including the Closing Date), and used to redeem the 2016 Bonds, \$_____ of which amount shall be deposited in the Delivery Costs Account in accordance with Section 402 hereof and \$_____ of which shall be deposited in the Project Account in accordance with Section 403 hereof.

(b) *Pledge.* Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of Purchase Payments and, therefore, principal and interest due with respect to the Certificates in accordance with their terms and the provisions of this Trust Agreement, all of the Revenues and any other amounts (including proceeds of the sale of Certificates) held in any fund or account established pursuant to this Trust Agreement.

Section 402. Application of Delivery Costs Account.

(a) The Trustee shall, on the Closing Date, deposit to the Delivery Costs Account, the sum of \$156,135.40 derived from the proceeds of the sale of the Certificates. In addition, the Trustee shall, on the Closing Date, deposit to the Delivery Costs Account, the sum of \$63,864.60 derived from an equity contribution from the Corporation (for a total amount of \$220,000.00 therein).

(b) Amounts in the Delivery Costs Account shall be disbursed by the Trustee for Delivery Costs upon receipt of a requisition therefor executed by the Corporation.

(c) The Trustee may conclusively rely upon the requisitions required by this Section 402. The Trustee shall have no responsibility to independently make any calculation, verification, determination or other review of the correctness or completeness of the matters stated therein.

(d) Investment earnings and profits on amounts in the Delivery Costs Account shall be retained therein.

(e) Upon payment of all Delivery Costs, which shall be determined by a certificate to that effect by an Authorized Representative of the Corporation, or on November 11, 2020, whichever occurs first, the Trustee shall transfer all funds remaining in the Delivery Costs

Account to the Purchase Payment Account, and the Delivery Costs Account shall thereupon be closed.

Section 403. Application of Project Account.

(a) The Trustee shall, on the Closing Date, deposit to the Project Account, the sum of \$_____ derived from the proceeds of the sale of the Certificates.

(b) Amounts in the Project Account shall be disbursed by the Trustee for Project Costs upon receipt of a requisition therefor executed by the Corporation; provided, however, that the first requisition from the Project Account requires the approval of the Original Purchaser.

(c) The Trustee may conclusively rely upon the requisitions required by this Section 403. The Trustee shall have no responsibility to independently make any calculation, verification, determination or other review of the correctness or completeness of the matters stated therein.

(d) Investment earnings and profits on amounts in the Project Account shall be retained therein.

(e) Upon completion of the 2020 Project, which shall be determined by a certificate to that effect by an Authorized Representative of the Corporation, the Trustee shall transfer all funds remaining in the Project Account to the Purchase Payment Account, and the Project Account shall thereupon be closed.

Section 404. Application of Purchase Payment Account.

(a) Purchase Payments paid to the Trustee as assignee of the Corporation pursuant to the Second Assignment Agreement shall be deposited by the Trustee in the Purchase Payment Account. In addition, the Trustee shall deposit in the Purchase Payment Account other amounts required by this Trust Agreement to be deposited in the Purchase Payment Account.

(b) Subject to the provisions of the Second Installment Sale Agreement permitting the Corporation to make payments directly to the Owners for the account of the City with respect to Purchase Payments, the Trustee shall withdraw from the Purchase Payment Account, on or prior to each Payment Date, an amount equal to the aggregate Purchase Payments due on or before such Payment Date, and shall cause the same to be applied to the payment of principal and interest payments due with respect to the Certificates on such Payment Date.

(c) If on any Payment Date amounts on hand in the Purchase Payment Account are insufficient to pay the full amount of principal and interest then due and payable with respect to the Certificates and such amount has not been otherwise paid to the Owners, the Trustee shall apply such amounts first to the payment of interest past due, *pro rata* if necessary, and second to the payment of principal past due, *pro rata*, if necessary.

(d) Investment earnings and profits on amounts in the Purchase Payment Account shall be retained in the Purchase Payment Account and applied to the payment of subsequent Purchase Payments.

(f) Any amounts remaining in the Purchase Payment Account after payment in full of the principal, interest and premium, if any, payable with respect to the Certificates (or provision for payment thereof as provided in this Trust Agreement), the reasonable fees, charges and expenses of the City and the Trustee and all other amounts required to be paid under the Second Installment Sale Agreement, the First Installment Sale Agreement and this Trust

Agreement, shall upon the written request of an Authorized Representative of the Corporation be paid to the Corporation.

Section 405. Establishment and Application of Insurance and Condemnation Proceeds Fund.

(a) The Trustee shall deposit Net Proceeds of insurance and condemnation received by the Trustee or paid to the Trustee pursuant to Section 508 of the Second Installment Sale Agreement in the Insurance and Condemnation Proceeds Fund which it shall establish when required to do so by the provisions of this Trust Agreement. Amounts in the Insurance and Condemnation Proceeds Fund shall be disbursed by the Trustee for repair or replacement of the property damaged, destroyed or taken in the event that the Corporation elects to repair or replace the property damaged, destroyed or taken. Disbursement shall be upon the basis of a Certificate requesting disbursement executed by an Authorized Representative of the Corporation and approved for payment by the Owners. Each Certificate requesting disbursement shall:

(i) set forth the amounts to be disbursed for payment or reimbursement of previous payments of costs of repair or replacement and the person or persons to whom said amounts are to be disbursed;

(ii) state that the amounts to be disbursed constitute costs of repair or replacement, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the Corporation, or were necessarily and reasonably incurred; and that said amounts are not being paid in advance of the time, if any, fixed for payment (for the avoidance of doubt, is a payment is due under a contract as an initial deposit or progress payment, the payment shall be permitted hereunder);

(iii) state that no amount set forth in the Certificate was included in any Certificate requesting disbursement previously filed with the Trustee pursuant to this Section 405; and

(iv) state that the amount remaining in the Insurance and Condemnation Proceeds Fund, including deposits made therein by the Corporation, will, after payment of the amount set forth in the Certificate requesting disbursement, be sufficient to pay the costs of repair or replacement then requested and all remaining costs of repair or replacement as then estimated.

(c) In the event that the Corporation does not elect to repair or replace the property damaged, destroyed or taken, moneys in the Insurance and Condemnation Proceeds Fund shall, subject to Section 508 of the Second Installment Sale Agreement, be deposited by the Trustee in the Purchase Payment Account upon receipt by the Trustee of written direction from the Corporation, and shall be applied by the Trustee as a mandatory prepayment (for the avoidance of doubt, no redemption premium shall accrue with respect to that prepayment) of Purchase Payments to the Corporation on the Payment Date next succeeding forty-five (45) days after the date of such deposit. Upon such application, the Corporation shall prepare or cause to be prepared a revised schedule of Purchase Payments and Installment Payments in accordance with the procedures described in Section 404(d) of the First Installment Sale Agreement and Section 404(d) of the Second Installment Sale Agreement.

(d) The Trustee may conclusively rely upon the certifications required by this Section 405. The Trustee shall have no responsibility to independently make any calculation,

verification, determination or other review of the correctness or completeness of the matters stated therein.

(e) In the event that moneys remain in the Insurance and Condemnation Proceeds Fund upon completion of the repair or replacement of the property damaged, destroyed or taken, such moneys shall, upon written direction from the Corporation, be withdrawn therefrom by the Trustee and transferred to the Purchase Payment Account.

(f) Investment earnings and profits on amounts in the Insurance and Condemnation Proceeds Fund shall be retained therein.

Section 406. No Unauthorized Transfers. No amount shall be withdrawn or transferred from or paid out of any fund or account except as expressly provided in this Trust Agreement.

Section 407. Deposit and Investment of Moneys in Funds.

(a) Except as otherwise provided herein, all moneys held by the Trustee in any of the funds or accounts established pursuant to this Trust Agreement shall be deposited or invested, according to written instructions of the Corporation, in Permitted Investments, provided that in the event that such written instructions are not received by the Trustee by 12:00 Noon Pacific Time of the Business Day preceding the day when investments are to be made, the Trustee shall invest such moneys in Permitted Investments described in paragraph (d) of the definition thereof. The Corporation shall not direct the Trustee to invest any moneys held by the Trustee in anything other than Permitted Investments.

(b) The Trustee shall act only as agent in making or disposing of any investment. The Trustee shall not be liable for any loss resulting from the making or disposition of any investment pursuant to this Section 407, absent negligence or willful misconduct, and any such losses shall be charged to the account with respect to which such investment was made.

(c) All moneys and investments deposited with or held by the Trustee under the provisions of this Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement or the Second Assignment Agreement shall be held in trust and applied only in accordance with the provisions of this Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement and the Second Assignment Agreement and shall not be subject to lien other than as specified in said documents.

(d) The Trustee shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient for the purposes of such fund or account.

(e) Except as otherwise provided below, the City and the Corporation covenant that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued at Fair Market Value.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Code).

(f) Any investment made by the Trustee pursuant to this Trust Agreement may be made through its own or its affiliate's trading department. The City and the Corporation acknowledge

that to the extent regulations of the Comptroller of the Currency or other applicable regulatory agency grant the City or the Corporation the right to receive brokerage confirmations of security transactions as they occur, the City and the Corporation specifically waive receipt of such confirmations to the extent permitted by law. The Trustee shall furnish to the City and the Corporation, as applicable, periodic statements of account which shall include detail of all investment transactions made by the Trustee. The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder. The Trustee shall not be liable for any loss from any investment or disposition thereof made by it in accordance with the provisions of this Trust Agreement. The Trustee shall have no duty in connection with the determination of Fair Market Value or the meaning of the Code other than to follow the written investment directions of the Corporation.

(g) Investments in any and all funds and accounts may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular fund or account amounts received or held by the Trustee hereunder, provided that the Trustee shall, at all times, account for such investments, including profits and earnings thereon, strictly in accordance with the particular funds or accounts to which they are credited and otherwise as provided in this Trust Agreement.

(h) Notwithstanding any other provision of this Trust Agreement, the Corporation shall not enter into, or instruct the Trustee to enter into, any agreement, including, without limitation, any investment or sale agreement involving the sale of future interest income or a forward delivery agreement or a forward purchase contract or a forward purchase supply contract, which provides for an upfront payment to the Corporation, in connection with the investment of any of the funds or accounts established under this Trust Agreement and held by the Trustee.

Section 408. Rebate Fund.

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Corporation given pursuant to the terms and conditions of the Tax Agreement. Subject to the transfer provisions provided in paragraph (e) below, 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 Agreement), for payment to the federal government of the United States of America. Neither the City, the Corporation nor the Owner of any Certificates shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 408 and by the Tax Agreement (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Corporation including supplying all necessary information in the manner provided in the Tax Agreement, and shall have no liability or responsibility to enforce compliance by the Corporation or the City with the terms of the Tax Agreement or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Corporation with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Corporation.

(b) Upon the Corporation's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Corporation, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate

Requirement shall be furnished by or on behalf of the Corporation in accordance with the Tax Agreement. The Trustee shall supply to the Corporation and/or the City all necessary information in the manner provided in the Tax Agreement to the extent such information is reasonably available to the Trustee.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 408, other than from moneys held in the funds and accounts created under this Trust Agreement or from other moneys provided to it by the Corporation.

(d) At the written direction of the Corporation, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments, subject to the restrictions set forth in the Tax Agreement. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Corporation's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Corporation so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Corporation's written directions; provided, however, only moneys in excess of the Rebate Requirement may, at the written direction of the Corporation or the City, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund after each five year remission to the United States of America, redemption and payment of all of the Certificates and payment and satisfaction of any Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Corporation.

(f) Notwithstanding any other provision of this Trust Agreement, including in particular Section 802, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section 408 and the Tax Agreement shall survive the defeasance or payment in full of the Certificates.

ARTICLE V
THE TRUSTEE

Section 501. Trustee Duties, Removal and Resignation. By executing and delivering this Trust Agreement, the Trustee accepts the duties and obligations of the Trustee provided in this Trust Agreement, but only upon the terms and conditions set forth in this Trust Agreement.

The City may, in the absence of an Event of Default, or the Owners of a majority in aggregate principal amount of all Certificates Outstanding may, by thirty (30) days prior written notice to the Trustee and the Corporation, remove the Trustee initially a party to this Trust Agreement, and any successor thereto, and may appoint a successor Trustee, but any such successor shall be a corporation or association organized and doing business under the laws of any state or the District of Columbia or the United States of America, authorized under such laws to exercise corporate trust powers, which shall have (or in the case of a corporation included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000) and which shall be subject to supervision or examination by federal or state authority. If such corporation 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 purposes of this Section 501 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the City or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 502. Upon request of any such successor Trustee, the City shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

The Trustee may at any time resign by giving thirty (30) days prior written notice to the City, the Corporation and to the Certificate Owners of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing; *provided, however*, that in the event that the City does not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the Corporation may appoint a successor Trustee and in the event that the Corporation does not appoint such a successor Trustee within such thirty (30) day period, the resigning Trustee may petition any court of competent jurisdiction to appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Section 502. Compensation of the Trustee. The Corporation shall pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its reasonable advances, disbursements and expenditures, including but not limited to reasonable advances to and fees and expenses of independent appraisers, accountants, consultants, counsel and agents or other experts employed by it in the exercise and performance of its powers and duties with

respect to the exercise of any of its rights or obligations as Trustee of the trust created hereunder. Such compensation and reimbursement shall be paid or caused to be paid by the Corporation pursuant to Section 520 of the Second Installment Sale Agreement. In addition, the City shall cause the Corporation to pay to the Trustee the compensation and expenses set forth in Section 507 of this Trust Agreement.

Section 503. Covenants of Trustee as to Performance of Obligations. The Trustee covenants that it will remit promptly to each Certificate Owner, such Owner's interest in each installment of Purchase Payments to the extent received by the Trustee at the places, on the dates and in the manner provided herein.

Section 504. Covenant to Perform Undertakings. The Trustee covenants that it will perform faithfully at all times any and all covenants, undertakings, stipulations and obligations of the Trustee contained in this Trust Agreement. The Trustee covenants that it is duly authorized to execute and deliver the Certificates upon written request from the City and to enter into this Trust Agreement and the Second Assignment Agreement and to perform its obligations hereunder and thereunder. The Trustee shall not consent to or waive any right, action, obligation or remedy hereunder or under any document in connection herewith without the written direction of the Owners.

Section 505. Protection to the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, facsimile transmission, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel selected by Trustee with reasonable care 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 in accordance therewith.

Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the Certificate of an Authorized Representative of the City or the Corporation and such Certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, or in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable, but in any event Trustee may rely upon such Certificate or other evidence only if such reliance does not result from willful misconduct or negligence of the Trustee.

The Trustee may buy, sell, own, hold and deal in any of the Certificates provided pursuant to this Trust Agreement, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City or the Corporation, and may act as depository, trustee, or agent for

any committee or body of Owners of Certificates or other obligations of the City or the Corporation as freely as if it were not Trustee hereunder.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

Section 506. Responsibilities of the Trustee. The Trustee does not assume any responsibility for the correctness of the recitals of fact contained herein, nor shall the Trustee be deemed to make any representations as to the legality, validity or sufficiency of this trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement, the Certificates, this Trust Agreement or any amendment to any of said documents in respect of the security afforded thereby, or insuring the Facility or collecting any insurance proceeds, nor shall the Trustee incur any responsibility or duty with respect to the delivery of the Certificates for value or the application of any proceeds thereof or any Revenues. The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates. The Trustee shall not be under any obligation or duty to perform any act which would involve it in any expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful default. The Trustee shall not be under any responsibility or duty with respect to the application of any moneys paid to any one of the other parties hereto. The immunities, exemptions and indemnifications from liability of the Trustee under this Trust Agreement shall extend to its directors, officers, employees, affiliates and agents. The Trustee shall not be responsible for the validity, execution by other parties thereto, or sufficiency of the Certificates, this Trust Agreement, the First Installment Sale Agreement or the Second Installment Sale Agreement. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee. The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, under the First Installment Sale Agreement or under the Second Installment Sale Agreement unless and until it shall have actual knowledge thereof, or a responsible officer shall have received written notice thereof, at its Principal Corporate Trust Office. The term "actual knowledge" means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto. Except as otherwise expressly provided herein, 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 Certificates, or as to the existence of an Event of Default hereunder, under the First Installment Sale Agreement or under the Second Installment Sale Agreement. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to this Trust Agreement or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it; provided that the Trustee shall notify the Corporation when the filing of any continuation statements in connection with financing statements for which the Trustee is a secured party shall be required and in the event the Corporation does not file the continuation statement, the Trustee will file and provide the Corporation with a copy thereof. In case an Event of Default has occurred under the First

Installment Sale Agreement or the Second Installment Sale Agreement and has not been cured, the Trustee shall 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.

Anything herein to the contrary notwithstanding, whenever it is provided that the Trustee shall take any action, including the giving of any notice, or refrain from taking any action upon the happening or continuation of a specified event or upon the fulfillment of any condition or upon the request of the Owners, the Trustee shall have no liability for failure to take such action or for failure to refrain from taking such action unless and until a responsible officer of the Trustee, who is a responsible officer at the Principal Corporate Trust Office, has actual knowledge of such event or continuation thereof or the fulfillment of such condition or shall have received such request.

Responsible officer means, in the case of the Trustee, the chairman or vice chairman of the executive committee of the board of directors or trustees, the president, any vice president, the secretary, the treasurer, any trust officer, any executive or senior or second or assistant vice president, or any other officer or assistant officer customarily performing functions similar to those performed by the persons who at the time shall be such officers, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence and willful misconduct.

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 of any of its duties hereunder or in the exercise of any of its rights or powers.

The Trustee's right to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Certificates or the discharge of the Certificates or defeasance of the lien of this Trust Agreement.

The Trustee is authorized and directed to execute, in its capacity as Trustee, the Second Assignment Agreement.

Section 507. Indemnification. The Corporation shall pay fees and compensation due to the Trustee and the City under the Trust Agreement upon periodic billing therefor by Trustee to the Corporation. In addition, the Corporation agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, employees, affiliates and agents harmless from and against all claims, losses and damages, including legal fees and expenses incurred by them in any action or proceeding brought by reason of any such claim arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Facilities by the Corporation, (ii) any breach or default on the part of the Corporation in the performance of any of its obligations under this Trust Agreement or any document related hereto, (iii) any act of negligence of the Corporation or of any of its agents, contractors, servants, employees or licensees with respect to the Facilities, (iv) any act of negligence of any assignee or sublessee of the Corporation or of any of its agents, contractors, servants, employees or licensees with respect to the Facilities, (v) the authorization of payment of the Delivery Costs, (vi) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances

under which they were made, not misleading in any official statement or other offering materials utilized in connection with the sale of the Certificates, all to the extent permitted by law, or (vii) any alleged or actual violation of any federal or state securities laws in connection with the marketing and sale of the Certificates.

In the event that any action or proceeding is brought against the Trustee or its officers, employees or agents by reason of any such claim or demand, the Corporation, upon notice from the Trustee, covenants to resist and defend such action or proceeding on demand of the Trustee or its officers, employees or agents and that the Corporation also covenants and agrees, to the extent permitted by law, at its expense, to pay, and to indemnify the Trustee from and against all cost, expenses and charges, including reasonable attorneys' fees, incurred in obtaining possession of the Facilities upon the occurrence of an Event of Default under the Second Installment Sale Agreement, or in enforcing any covenant or agreement of the Corporation contained in the Second Installment Sale Agreement. The Corporation also agrees, to the extent permitted by law, to indemnify the Trustee from and against any claim, loss, liability, expense, including reasonable attorneys' fees, or advance arising in connection with Trustee's administration of the trust created by the Trust Agreement or any document related hereto and to pay to the Trustee all moneys to which the Trustee is entitled pursuant to the Trust Agreement.

Indemnification for any tort mentioned in this Section 507 shall be limited to the extent and in the amounts provided for by applicable law. Notwithstanding the foregoing, no indemnification will be made under this Section 507 or elsewhere in this Trust Agreement for willful misconduct under this Trust Agreement by the City, the Corporation or the Trustee or its officers, agents, employees, affiliates, successors or assigns. The obligations of the Corporation hereunder shall be and remain valid and binding obligations of the Corporation notwithstanding payment in full of the Installment Payments, or the resignation, removal or replacement of the Trustee, for a period of not to exceed the statute of limitations period.

Section 508. Merger or Consolidation of Trustee. Any corporation 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 as a whole or substantially as a whole, or any corporation resulting from any merger, conversion, consolidation, sale or transfer to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee shall be the successor trustee hereunder, provided such corporation shall be eligible hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 509. Accounting Records and Financial Statements.

(a) The Trustee shall, at all times, keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which complete and accurate entries shall be made of all transactions by the Trustee relating to the proceeds of the Certificates, the Revenues, the First Installment Sale Agreement and the Second Installment Sale Agreement and all funds and accounts established pursuant to this Trust Agreement. Such books of record and account shall be available for inspection by the City, the Corporation and any Owner, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances upon reasonable notice.

(b) The Trustee shall furnish (i) to each Owner who shall have filed his name and address with the Trustee for such purpose (at such Owner's cost) a copy of the most recent audited financial statements of the Corporation or the most recent quarterly unaudited financial

statements of the Corporation, as furnished to the Trustee pursuant to the Second Installment Sale Agreement, and (ii) to the Corporation and the City monthly a statement (which need not be audited) covering receipts (including whether the Trustee has received the Installment Payments required to be paid by the Corporation in such month), disbursements, allocation and application of Revenues and other moneys (including proceeds of the Certificates) in any of the fund and accounts established pursuant to this Trust Agreement for the preceding month.

ARTICLE VI

CERTIFICATES; TERMS AND PROVISIONS

Section 601. Preparation of Certificates. The Trustee is hereby directed upon written request from the City to execute and deliver to the Original Purchaser, Certificates in an aggregate principal amount of seven million eight hundred six thousand seven hundred seventy dollars (\$10,000,000) evidencing undivided fractional ownership interests in the Purchase Payments to be paid by the City under the First Installment Sale Agreement, as set forth in such Certificates, derived from Installment Payments to be received from the Corporation. The City hereby certifies, recites and declares that all things, conditions and acts required by the constitution and statutes of the State and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, exist, have happened and have been performed in due time, form and manner as required by law.

Section 602. General Terms. The Certificates shall be delivered as fully registered certificates, without coupons, in Authorized Denominations and shall all be dated as of the Closing Date.

(a) The Certificates shall be evidenced by one certificate in the principal amount of \$10,000,000, and shall be owned by and registered in the name of one single Owner, initially in the name of First Foundation Bank, shall mature on August 1, 2040, and shall be payable as to interest at the rate of ___% per annum (except during any period during which interest with respect to the Certificates may be payable at the Taxable Rate or at the Default Rate) and pay interest on each Payment Date. Upon the occurrence and continuation of an Event of Default, the 2020 Bonds shall bear interest at the Default Rate.

(b) (i) In the event a Determination of Taxability occurs, to the extent not payable to each Owner (or to the Original Purchaser for the period that it was the Owner of any of the Certificates) under the terms of this Trust Agreement and the Certificates, the Corporation hereby agrees to pay to each Owner (or, if applicable, the Original Purchaser) on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Owner (or, if applicable, the Original Purchaser) on the Certificates during the period for which interest on the Certificates is included in the gross income of such Owner (or, if applicable, the Original Purchaser) if the Certificates 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 Owner (or, if applicable, the Original Purchaser) during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Owner (or, if applicable, the Original Purchaser) as a result of interest on the Certificates becoming included in the gross income of such Owner (or, if applicable, the Original Purchaser), together with any and all external attorneys' fees, court costs, or other reasonable out-of-pocket costs incurred by such Owner (or, if applicable, the Original Purchaser) in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, such Owner (or, if applicable, the Original Purchaser) shall afford the Corporation or the City the opportunity, at the Corporation's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the Certificates to be included in the gross income of such Owner (or, if applicable, the Original Purchaser) or (2) any challenge to the validity of the tax exemption with respect to the interest on the

Certificates, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) As a condition precedent to the exercise by the Corporation or the City of its right to contest set forth in clause (ii) above, the Corporation shall, within thirty (30) days of the written demand therefor, reimburse such Owner for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by such Owner (or, if applicable, the Original Purchaser) in its sole discretion) that may be incurred by the Original Purchaser in connection with any such contest, and shall, on demand, immediately reimburse the Original Purchaser for any and all penalties or other charges payable by such Owner (or, if applicable, the Original Purchaser) for failure to include such interest in its gross income; and

(iv) The obligations of the Corporation and the City under this Section 602(b) shall survive the termination of this Trust Agreement, and the redemption or other payment in full of the Certificates.

(c) So long as the Certificates are held by the Original Purchaser, the Certificates shall not be (i) assigned a rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service Bureau,

(d) *General Payment Provisions.* The principal of each Certificate is payable in lawful money of the United States of America upon surrender thereof at the Principal Corporate Trust Office of the Trustee. Interest payments on each Certificate shall be made by the Trustee to the Person appearing on the Certificate Register as the Owner thereof as of the close of business on the Record Date, such interest to be paid by the Trustee to such Owner (A) in immediately available funds (by wire transfer), according to the instructions given by such Owner to the Trustee or (B) in all other cases, by check mailed by first class mail to the Owner at such Owner's address as it appears as of the Record Date on the Certificate Register; except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the Owner in whose name the Certificate is registered as of a special record date to be fixed by the Trustee.

(e) *Payments while Certificates held by Original Purchaser.* So long as the Certificates are held by the Original Purchaser, and notwithstanding any provision in this Trust Agreement or the Second Installment Sale Agreement to the contrary, all payments of principal of and any interest on any Certificate registered in the name of the Original Purchaser shall be made to the Original Purchaser directly by the Corporation by electronic wire transfer in immediately available funds directly for credit to the ABA routing number and account number filed by the Original Purchaser with the Trustee and the Corporation on the Closing Date, and without payment by the Corporation to the Trustee (without any presentment of such Certificate, except upon payment of the final installment of principal, and without any notation of such payment being made thereon). Any payment made in accordance with the provisions of this paragraph shall be accompanied by sufficient information to identify the source and proper application of such payment. The Corporation shall provide the Trustee with a certification of the date and amount of any payment of principal of or interest on the Certificates made by the Corporation to the Original Purchaser pursuant to this paragraph within two Business Days of the payment (whether made on an Payment Date or any other date on which such payment is made). The Original Purchaser shall promptly notify the Trustee and the City in writing of any failure of the Corporation to make any payment of principal of or interest on the Certificates when due, and the Trustee and the City shall not be deemed to have any notice of such failure unless it has

received such notice in writing. If any Certificates are sold or transferred, prior to the transfer date, the Original Purchaser shall notify the Trustee and the Corporation in writing of the name and address of the transferee, and it will, prior to delivery of such Certificates, make a notation on such Certificates of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. So long as payments of principal and interest are being made to the Original Purchaser as the registered owner thereof in accordance with this Section 602 and no event of default has occurred of which the Trustee has been given written notice thereof, the Trustee shall have no obligations as paying agent in respect to such Certificates, nor shall it be obligated to collect Loan Payments, other than Additional Payments, pursuant to the Second Installment Sale Agreement, to act as Certificate Registrar or to take any other action in respect thereof, except at the express written direction of the Corporation or the City. In responding to audit confirmations or inquiries from auditors, to the extent that the Trustee receives such confirmation or inquiries, it will pass the same on to the Corporation and the Original Purchaser for processing.

(f) *Accrual of Interest.* Interest with respect to each Certificate shall be payable on each Payment Date until the principal sum of such Certificate has been paid; provided, however, that if at the maturity date of any Certificate (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof, in full accordance with the terms of this Trust Agreement, such Certificates shall then cease to bear interest. Interest on each Certificate shall be computed from the Payment Date to which interest has been paid (or duly provided for) next preceding the date of authentication thereof, unless (a) such date of authentication shall be prior to the first Payment Date, in which case interest shall be computed from the Closing Date or (b) such date of authentication shall be an Payment Date, in which case interest shall be computed from such date of authentication; provided, that if interest on any Certificate shall be in default, the Certificate or Certificates issued in exchange for such Certificate surrendered for transfer or exchange shall bear interest from the last date to which interest has been paid in full (or duly provided for) on such Certificate or, if no interest has been paid (or duly provided for) on such Certificate, from the Closing Date. Interest accrued on any Certificate shall be paid on each Payment Date for the period from and including the date described in the preceding sentence to and including the day before such Payment Date (whether or not the day before such Payment Date is a Business Day).

The Certificates shall be payable as to interest as provided herein from and including the Closing Date to but excluding the date of payment in full of such Certificates computed on an actual day/360 day basis.

Section 603. Transfer and Exchange of Certificates. Registration of any Certificate may, in accordance with the terms of this Trust Agreement, be transferred, upon the books of the Trustee required to be kept pursuant to the provisions of Section 3.06, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate shall be surrendered for registration of transfer, the City shall execute and the Trustee shall authenticate and deliver a new Certificate or Certificates of the same tenor and in Authorized Denominations. No registration of transfer of Certificates shall be required to be made during the period after any Record Date and prior to the related Payment Date or during the period of fifteen (15) days next preceding the date on which the Trustee gives any notice of redemption, nor shall any registration of transfer of Certificates called for redemption be required.

Certificates shall be delivered only in Authorized Denominations to an Owner that has executed and delivered to the Trustee an Investor Letter. The Trustee shall not register the

transfer of any Certificate unless the Trustee receives an Investor Letter from the proposed transferee.

Notwithstanding any other provision hereof, Certificates may not be registered in the name of, or transferred to, any person except an Approved Buyer.

Only the person(s) whose name(s) the Certificates are registered hereunder shall be treated as Owners and shall have the rights of Owners hereunder.

Certificates may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Certificates of the same tenor and in Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there shall be no other charge to any Owners for any such exchange. No exchange of Certificates shall be required to be made during the period after any Record Date and prior to the related Payment Date or during the period of fifteen (15) days next preceding the date on which the Trustee gives notice of redemption, nor shall any exchange of Certificates called for redemption be required.

Section 604. Regulation with Respect to Exchange and Transfers. In all cases of registration of transfer or exchange of Certificates, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Article. The Trustee may require the payment by the Owner requesting such transfer or exchange of any tax or governmental charge so required to be paid with respect to such transfer or exchange. All Certificates surrendered in any transfer or exchange shall forthwith be canceled and destroyed by the Trustee and a certificate of destruction delivered to the City and the Corporation. Notwithstanding any other provision of this Trust Agreement, the cost of preparing each new Certificate upon transfer or exchange following delivery pursuant to Section 601 hereof, and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the Corporation.

Section 605. Certificate Register.

(a) The Trustee shall keep or cause to be kept at its Principal Corporate Trust Office a Certificate Register, which shall during normal business hours (upon reasonable notice) be open to inspection by the City, the Corporation and Owners of five percent (5%) or more in aggregate principal amount of Outstanding Certificates; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer on the Certificate Register, Certificates as hereinbefore provided.

(b) The Trustee shall deem and treat the person in whose name any Outstanding Certificate shall be registered upon the Certificate Register as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest payments with respect to such Certificate and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary. The Corporation agrees, to the extent permitted by law, to indemnify the Trustee or cause the Trustee to be indemnified against any and all loss, cost, charge, expense (including attorneys' fees), judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Owner. The Agreement contained in the preceding sentence shall survive the termination, resignation and removal of the Trustee

and payment of Purchase Payments in full for a period not to exceed the statute of limitations period.

Section 606. Temporary Certificates. Pending preparation of the definitive Certificates, any Certificates delivered under this Trust Agreement may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Certificate shall be executed by the Trustee and be delivered by the Trustee upon the same conditions and in substantially the same manner as definitive Certificates. If the Trustee delivers temporary Certificates, it shall execute and furnish definitive Certificates without delay and, thereupon, the temporary Certificates shall be surrendered for cancellation at the Principal Corporate Trust Office of the Trustee and the Trustee shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations and of the same principal Payment Date and interest rate or rates. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under this Trust Agreement as definitive Certificates delivered pursuant hereto.

Section 607. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor and principal Payment Date in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed.

If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and principal Payment Date and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section 607 and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 607. Any Certificate delivered under the provisions of this Section 607 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates delivered under this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same.

Notwithstanding any other provision of this Section 607, but only when the Trustee is making payments with respect to the Certificates rather than the Corporation making such payments directly to the Owners, in lieu of delivering a new Certificate for which principal has or is about to become due for a Certificate which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Certificate in accordance with its terms.

Section 608. Evidence of Signatures of Certificate Owners and Ownership of Certificates. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in

any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Certificate Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certification which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such Certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any Certificate Owner and the amount, the principal Payment Date and the numbers of such Certificates and the date of his ownership of the same shall be proved by the Certificate Register held by the Trustee under the provisions of this Trust Agreement.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the City or the Trustee in pursuance of such request or consent.

Section 609. Redemption.

(a) *Optional Redemption.* The Certificates are subject to optional redemption in whole on any date, upon at least forty-five (45) days prior written notice to the Owner and the Trustee from the Corporation, from the proceeds of the optional prepayment of Installment Payments made by the Corporation pursuant to the Second Installment Sale Agreement (and, therefore, Purchase Payments to be made by the City pursuant to the First Installment Sale Agreement), derived from any source of available moneys, at a redemption price equal to the principal amount of the Certificates called for redemption, together with accrued interest to the date fixed for redemption, plus a premium, as shown in the following table:

<u>Redemption Period</u>	<u>Redemption Premium</u>
Closing Date through July 31, 2022	3%
August 1, 2022, through July 31, 2024	2
August 1, 2024, through July 31, 2026	1
August 1, 2026, and thereafter	0

Notwithstanding the foregoing, the Certificates are subject to optional redemption prior to their stated maturity, once per year on any Payment Date, in part, in inverse order of sinking fund payment dates, up to 15% of the outstanding principal amount of the Certificates, upon at least forty-five (45) days prior written notice to the Owner and the Trustee from the Corporation, at a redemption price equal to the principal amount of the Certificates called for redemption, together with accrued interest to the date fixed for redemption, from the proceeds of the optional prepayment of Installment Payments made by the Corporation pursuant to the Second Installment Sale Agreement (and, therefore, Purchase Payments to be made by the City

pursuant to the First Installment Sale Agreement), derived from any source of available moneys (other than the proceeds of a refinancing or new borrowing), without premium.

(b) *Mandatory Sinking Fund Redemption.* The Certificates are subject to redemption prior to their stated maturity, in part, by lot, from Mandatory Sinking on the first day of each February and August, commencing February 1, 2021, to and including August 1, 2040, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment</u>	<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment</u>
2/1/21		2/1/31	
8/1/21		8/1/31	
2/1/22		2/1/32	
8/1/22		8/1/32	
2/1/23		2/1/33	
8/1/23		8/1/33	
2/1/24		2/1/34	
8/1/24		8/1/34	
2/1/25		2/1/35	
8/1/25		8/1/35	
2/1/26		2/1/36	
8/1/26		8/1/36	
2/1/27		2/1/37	
8/1/27		8/1/37	
2/1/28		2/1/38	
8/1/28		8/1/38	
2/1/29		2/1/39	
8/1/29		8/1/39	
2/1/30		2/1/40	
8/1/30		8/1/40	

(b) *Redemption from Net Proceeds of Insurance or Condemnation.* The Certificates are subject to redemption prior to maturity in whole or in part, on any date, in inverse order of their Payment Dates, at the principal amount thereof plus accrued interest to the redemption date, without premium, from the Net Proceeds of insurance or condemnation received with respect to the Facilities and applied to the prepayment of Purchase Payments pursuant to Section 404 of the First Installment Sale Agreement, derived from the prepayment of Installment Payments pursuant to Section 404(c) of the Second Installment Sale Agreement.

(c) Notwithstanding any other provision hereof, but only when the Trustee is making payments with respect to the Certificates rather than the Corporation making such payments directly to the Owners, on redemption, interest shall be payable at the Principal Corporate Trust Office of the Trustee upon surrender of a Certificate for redemption in accordance with Section 617 of this Trust Agreement.

(d) Upon a partial redemption pursuant to this Section 609, the Corporation shall provide the City, the Owners and the Trustee with a revised payment schedule in substitution of Exhibit C attached hereto.

Section 610. Redemption Fund.

(a) Moneys to be used for redemption of Certificates shall be transferred by the Trustee, but only when the Trustee is making payments with respect to the Certificates rather than the

Corporation making such payment directly to the Owners, from the Purchase Payment Account, prior to mailing the notice referenced in Section 616, and deposited in a Redemption Fund, which shall be a special fund to be established and held in trust by the Trustee, separate and apart from all other funds. Said moneys shall be set aside in the Redemption Fund solely for the purpose of redeeming the Certificates in advance of their final principal Payment Date and shall be applied on or after the Payment Date designated for redemption to the payment of principal of, and interest from the preceding Payment Date with respect to, the Certificates to be redeemed upon presentation and surrender of such Certificates.

(b) Investment earnings and profits on amounts in the Redemption Fund shall be retained in the Redemption Fund and applied to the redemption of Certificates as set forth in paragraph (a) above.

Section 611. Notice of Redemption.

(a) *Official Notice.* Unless waived by any Owner of Certificates to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Register.

All official notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Certificates are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed, (iv) that on the redemption date the redemption price will become due and be payable upon each such Certificate or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Corporate Trust Office of the Trustee, but only when the Trustee is making payments with respect to the Certificates rather than the Corporation making such payments directly to the Owners,.

Prior to the mailing of notice of redemption, the Corporation shall deposit, or cause to be deposited, with the Trustee, but only when the Trustee is making payments with respect to the Certificates rather than the Corporation making such payments directly to the Owners, an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee, but only when the Trustee is making payments with respect to the Certificates rather than the Corporation making such payments directly to the Owners, at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Certificate, there shall be prepared for the Owner a new Certificate or Certificates of the same maturity in the amount of the unpaid principal. All Certificates which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

(b) *Further Notice.* In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection (a) above.

Notice of redemption of Certificates shall be given by the Trustee, at the expense of the Corporation.

If upon the expiration of sixty (60) days succeeding any date fixed for redemption, any Certificates called for redemption shall not have been presented to the Trustee for payment, the Trustee shall no later than ninety (90) days following such date fixed for redemption send Notice by Mail to the Owner of each Certificate not so presented. Failure to mail the notices required by this paragraph to any Owner, or any defect in any notice so mailed, shall not affect the validity of the proceedings for redemption of any Certificates nor impose any liability on the Trustee.

Section 612. Payment on Redemption of Certificates. Notice having been given as aforesaid, and the moneys for the redemption, including interest accrued from the preceding Payment Date to the date of redemption and premium, if any, having been set aside in the Redemption Fund, the Certificates to be redeemed shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount with respect thereto, plus any such unpaid and accrued interest to said date of redemption.

If, on said date of redemption, moneys for the redemption of all the Certificates to be redeemed and premium, if any, together with interest to said date of redemption, shall be held by the Trustee, but only when the Trustee is making payments with respect to the Certificates rather than the Corporation making such payments directly to the Owners, so as to be available therefor on such Payment Date, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said Payment Date, interest with respect to the Certificates to be redeemed shall cease to accrue and become payable. If said moneys shall not be so available on said Payment Date, interest with respect to such Certificates shall continue to be payable until paid at the same rates as it would have been payable had the Certificates not been called for redemption. All moneys held by or on behalf of the Trustee for the redemption of particular Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed.

Section 613. Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute, and deliver to the Owner thereof, at the expense of the Corporation, a new Certificate or Certificates of authorized denomination equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same principal Payment Date. Such partial redemption shall be valid upon payment of the amount thereby required to be paid to such Owner, and the City, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

ARTICLE VII

COVENANTS; LIMITATION OF LIABILITY

Section 701. City to Perform. The City covenants and agrees with the Trustee on behalf of the Owners of the Certificates, to perform all obligations and duties imposed on it under the First Installment Sale Agreement, the Second Installment Sale Agreement and the First Assignment Agreement.

Section 702. Corporation to Perform. The Corporation covenants and agrees with the Owners of the Certificates, to perform all obligations and duties imposed on it under the First Installment Sale Agreement, the Second Installment Sale Agreement and the Second Assignment Agreement.

Section 703. Action on Default. Upon the occurrence of an Event of Default by the City under Section 701 of the First Installment Sale Agreement, and in each and every such case during the continuance of such Event of Default, the Trustee shall, with respect to any Event of Default other than subsection (c) or (d) of Section 701 of the First Installment Sale Agreement and may, with respect to an Event of Default pursuant to subsection (c) or (d) of Section 701 of the First Installment Sale Agreement (or shall, in the event of a request therefor by the Owners of not less than a majority in aggregate principal amount of Certificates at the time Outstanding), upon notice in writing to the City and the Corporation, subject to Section 505 hereof, exercise the remedies provided to the Corporation in the First Installment Sale Agreement which remedies have been assigned to the Trustee pursuant to the Second Assignment Agreement.

Section 704. Right of Owners to Direct Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount payable with respect to Certificates then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the First Installment Sale Agreement and the Second Installment Sale Agreement, or for the appointment of a receiver or any other proceedings hereunder; *provided, however*, that such direction shall not be otherwise than in accordance with the provisions of law and of this Trust Agreement, and *provided further, however*, that (subject to Section 506) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not be lawfully taken or if the Trustee in good faith shall determine that the action or proceeding so directed might involve the Trustee in personal liability or if the trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction shall be unduly prejudicial to the interests of the Owners not joining in the giving of said direction, it being understood that the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Owners.

Section 705. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Certificates hereunder and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred, in and about the performance of its powers and duties under this Trust Agreement.

(b) After payment of the fees and expenses of the Trustee including, without limitation, fees and expenses of its attorneys, agents and advisors, to the payment of the principal or redemption price of and interest then due with respect to the Certificates (upon presentation of the Certificates to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement, as follows:

(i) Unless the principal of all of the Certificates shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal or redemption price of any Certificates which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Certificates, and, if the amount available shall not be sufficient to pay in full all the Certificates due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or redemption price due on such date to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Certificates shall have become or have been declared due and payable, to the payment of the principal or redemption price and interest then due and unpaid upon the Certificates, with interest on the overdue principal at the rate borne by the respective Certificates, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest or redemption price, or of interest over principal or redemption price, or of redemption price over principal or interest, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, according to the amounts due respectively for principal, redemption price, and interest, to the persons entitled thereto without any discrimination or preference; and

Section 706. Remedies Vested in Trustee. All rights of action (including the right to file proofs of claims) under the First Installment Sale Agreement, the Second Installment Sale Agreement and this Trust Agreement may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Certificates.

Section 707. Rights and Remedies of Owners. No Owner of any Certificate shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Trust Agreement, the First Installment Sale Agreement or the Second Installment Sale Agreement or for the execution of any trust thereof or hereof or for the appointment of a receiver or any other remedy hereunder, unless (i) an Event of Default has occurred of which

the Trustee has been deemed to have actual knowledge of, or has been notified, as provided in Section 505 hereof, (ii) such Event of Default shall be continuing, (iii) the Owners of not less than a majority in aggregate principal payable with respect to the Certificates then Outstanding shall have made written request to the Trustee to exercise remedies available upon an Event of Default, shall have offered the Trustee reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity as provided in Section 508, and (iv) the Trustee shall thereafter fail or refuse for a continuous period of sixty (60) days to exercise the power herein granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of opportunity and indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Trust Agreement, and to any action or cause of action for the enforcement of this Trust Agreement, or for the appointment of a receiver or for any other remedy hereunder. No one or more Owners of the Certificates shall have any right in any manner whatsoever to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Certificates then Outstanding. Nothing herein shall preclude an Owner from instituting a suit, action or proceeding against the City for payment of amounts due with respect to its Certificates.

Section 708. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Trust Agreement by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 709. Waivers of Events of Default. The Trustee may, upon the written direction of the Owners and, in accordance with Section 702 of the Second Installment Sale Agreement, waive any Event of Default under the First Installment Sale Agreement or under the Second Installment Sale Agreement and rescind its consequences; *provided, however,* that there shall not be waived (a) any Event of Default in the payment of the principal or interest components of Purchase Payments or premium when due (whether at the scheduled date of payment or by prepayment) or (b) any covenant default under the Second Installment Sale Agreement unless, in each case, prior to such waiver and rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate reflected by the interest component of Purchase Payments on the date such interest became due on overdue payments of interest and all arrears of principal and premium, if any, when due, as the case may be, together with the reasonable fees and expenses of the Trustee and of the Owners of Certificates representing such Purchase Payments, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for. In the case of any such waiver and rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Trust Agreement shall be in writing and a copy thereof shall be delivered to the City and to the Corporation.

Section 710. No Obligation by City to Owners. Except for the payment of Purchase Payments when due from Revenues in accordance with the First Installment Sale Agreement and the performance of the other covenants and agreements of the City contained in the First Installment Sale Agreement, the City shall have no obligation or liability to any of the other parties to this Trust Agreement or to the Owners of the Certificates with respect to this Trust

Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Purchase Payments to the Owners by the Trustee.

Section 711. No Liability to Owners for Payment. Except as provided in this Trust Agreement, neither the Corporation nor the Trustee shall have any obligation or liability to the Owners of the Certificates with respect to the payment of the Purchase Payments by the City from Revenues when due, or with respect to the performance by the City of any other covenants made by it in the First Installment Sale Agreement.

Section 712. No Responsibility for Sufficiency. The Trustee shall not be responsible for the sufficiency of the recitals contained in the Certificates, this Trust Agreement, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement or of the assignment made to it of rights to receive moneys pursuant to the First Installment Sale Agreement, or the Second Installment Sale Agreement, or the value of or title to the Facilities. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it under the terms of and in accordance with this Trust Agreement, except to the extent of its negligence or willful misconduct.

Section 713. Notice of Noneffect of Second Installment Sale Agreement. Whenever it shall be determined by the City that the Second Installment Sale Agreement is no longer in effect, the City shall provide or cause to be provided written notice to the Trustee of such fact.

Section 714. Tax Covenants. The City, the Corporation and the Trustee each agree to comply with all provisions of the Tax Agreement applicable to it.

ARTICLE VIII

AMENDMENT; DEFEASANCE; ADMINISTRATIVE PROVISIONS

Section 801. Amendment. This Trust Agreement may be amended in writing by agreement among all of the parties hereto with the prior written consent of the Owners of Certificates then Outstanding; provided, however, that no such amendment shall be made unless there is filed with the Trustee the opinion of Special Counsel to the effect that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest component of Purchase Payments. The Trustee shall have no obligation to amend this Trust Agreement if such amendment would adversely affect the Trustee.

Section 802. Defeasance. If all Outstanding Certificates shall be paid and discharged, or provision for the payment thereof shall be made, in any one or more of the following ways:

(a) by paying or causing to be paid the Purchase Payments as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, moneys which, together with the amounts then on deposit in the Trust Fund and the accounts therein and the Redemption Fund is fully sufficient to pay all unpaid Purchase Payments, including all principal and interest;

(c) by depositing with the Trustee, in trust, non-callable Federal Securities, together with cash, if required, in such amount as an independent certified public accountant shall determine will, together with the interest to accrue thereon without reinvestment thereof and moneys then on deposit in the Purchase Payment Account together with the interest to accrue thereon, be fully sufficient to pay and discharge all unpaid Purchase Payments on or before their Payment Dates; or

(d) by depositing with the Trustee, under an escrow deposit and trust agreement, security for the payment of all Purchase Payments as more particularly described in Section 405 of the First Installment Sale Agreement, said security to be held by the Trustee, as agent for the City, and to be applied by the Trustee to Purchase Payments representing the obligation of the City under the First Installment Sale Agreement, as described in Section 405 of the First Installment Sale Agreement,

then, notwithstanding that any Certificates may not have been surrendered for payment, all obligations of the Corporation, the Trustee and the City under this Trust Agreement with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid to the Owners of the Certificates not so surrendered and paid all sums due thereon from funds provided therefor as provided herein, the obligation of the City to pay, or caused to be paid to, the Trustee the amounts owing to the Trustee hereunder and the obligations of the City under this Trust Agreement.

Any funds held by the Trustee at the time of one of the events described above in subsections (a), (b), (c) or (d) which are not required for the payment to be made to Owners, or for payment to be made to the Trustee for any sums owed pursuant to Sections 507 and 508, shall be paid over to the Corporation. Upon any of said events, the Trustee shall execute, upon request of the Corporation or the City, any written instrument required to reconvey any interests of Trustee pursuant to this Trust Agreement or the Second Assignment Agreement

Section 803. Notices. All written notices to be given under this Trust Agreement shall be given by registered, certified or first class mail to the party entitled thereto at its address set forth below, or by fax, or at such address as the party may provide to the other parties in writing from time to time. All notices to be delivered to the Trustee hereunder shall simultaneously be delivered to the Owners at the addresses set forth in the Certificate Register.

If to the Corporation:	Ampla Health 935 Market Street Yuba City, CA 95991 Attention: _____ Phone: (530) 674-4261
If to the City:	City of Yuba City 1201 Civic Center Boulevard Yuba City, CA 95993 Attention: _____ Phone: (530) 822-_____
If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Phone: (415) 677-_____
To the Original Purchaser:	First Foundation Bank 2233 Douglas Boulevard, Suite 300 Roseville, CA 95661 Attention: _____ Phone: (916) ___-_____

Section 804. California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 805. Severability. Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

Section 806. Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 807. Headings. Headings preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience or reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

Section 808. Execution in Counterparts. This Trust Agreement may be executed in counterparts and each of said counterparts shall be deemed an original for all purposes of this Trust Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

Section 809. Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement, any moneys held by the Trustee in trust for the payment of the principal or redemption price, or interest with respect to, any Certificates appertaining thereto and remaining unclaimed for two years after the date such principal or redemption price or interest with respect to any of the Certificates become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Trust Agreement), 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 the principal or redemption price, or interest with respect to any of the Certificates became due and payable, shall be repaid to the Corporation, free from the trusts create by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Corporation as aforesaid, the Trustee shall (at the cost of the Corporation) first mail to the Owners of any Certificate which has not been paid at the addresses shown on the Certificate Register maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Certificates so payable and not presented and with respect to the provisions relating to the prepayment to the Corporation of the moneys held for the payment thereof.

Section 810. Payments Due on Other than Business Day. If the date for making any payment as provided in this Trust Agreement is not a Business Day, such payment may be made on the next succeeding Business Day with the same force and effect as if done on the date provided therefore herein.

Section 811. Destruction of Certificates. Whenever in this Trust Agreement provision is made for the cancellation by the Trustee and the delivery to the City of any Certificates, the Trustee shall, in lieu of such cancellation and delivery, destroy such Certificates, and deliver a certificate of such destruction to the City.

Section 812. Rights of Original Purchaser. Notwithstanding anything in this Trust Agreement to the contrary, the Deed of Trust (except as otherwise set forth therein) may at any time be amended or modified by the written agreement of the Original Purchaser and the Corporation, without the consent of the Trustee or the City, provided that such amendment is promptly filed with the Trustee and that such amendment does not result in a violation of the provisions of the Tax Agreement.

Notwithstanding anything contained herein to the contrary, any required consent of the Original Purchaser with respect to the Certificates as provided herein shall not be effective unless such consent is in writing and is duly signed by the Original Purchaser, and then only to the extent specifically set forth therein. Furthermore, notwithstanding any other provision in this Trust Agreement to the contrary and for so long as the Original Purchaser is the registered Owner or beneficial Owner of the Certificates, the Purchaser has the right to undertake and enforce its rights and remedies under the Financing Documents without involvement of, but with notice to, the Trustee.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Name _____
Title _____

CITY OF YUBA CITY

By _____
Name _____
Title _____

AMPLA HEALTH

By _____
Name _____
Title _____

EXHIBIT A

DEFINITIONS

“Accountant’s Report” means a written report or certificate signed by an independent certified public accountant of recognized national standing, or a firm of independent certified public accountants of recognized national standing, selected by the Corporation.

“Act of Bankruptcy” means any of the following with respect to any Person: (a) the commencement by or against such Person of a voluntary case under the Bankruptcy Code, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws; (b) failure by such Person to timely controvert the filing of a petition with a court having jurisdiction over such Person to commence an involuntary case against such Person under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws; (c) such Person shall admit in writing its inability to pay its debts generally as they become due; (d) a receiver, trustee, custodian or liquidator of such Person or such Person’s assets shall be appointed in any proceeding brought against the Person or such Person’s assets; (e) assignment by such Person for the benefit of its creditors; (f) the entry by such Person into an agreement of composition with its creditors, or (g) becoming insolvent within the meaning of section 101(32) of the Bankruptcy Code.

“Additional Payments” means the amounts payable to the Authority, the Trustee or other Persons pursuant to the Second Installment Sale Agreement.

“Annual Debt Service” means, for each Fiscal Year, the aggregate amount (without duplication) of principal and interest scheduled to become due (either by maturity or by mandatory redemption) and sinking fund payments required to be paid in that Fiscal Year on all Long-Term Indebtedness.

“Approved Buyer” means (1) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the “Securities Act”); (2) an “accredited investor” as defined in paragraphs (1) through (3) of subsection (a) of Section 501 (“Section 501”) of Regulation D promulgated under the Securities Act; (3) an entity that is directly or indirectly wholly owned or controlled by the purchaser/bondholder representative (being a financial institution described in (1) above; (4) an “accredited investor” as defined in paragraph (5) of subsection (a) of said Section 501, provided that the minimum net worth shall be \$5,000,000; (5) an “accredited investor” as defined in paragraph (6) of subsection (a) of said Section 501, provided that the minimum income (individual or joint) shall be \$1,000,000; (6) an entity all of the investors in which are described in (1), (2) or (3) above; or (7) a custodian or trustee for a party described in (1), (2), (3), (4) or (5) above.

“Authorized Denomination” means \$250,000 or any multiple of one cent above that amount.

“Authorized Representative” means, with respect to the City, the Mayor, any member of the City Council of the City, the City Manager, the Director of Finance and IT or such other person as may be designated and authorized to sign for the City.

“Authorized Corporation Representative” means any person who at the time and from time to time may be designated, by written certificate furnished to the Authority and the Trustee, as

a person authorized to act on behalf of the Corporation. Such certificate shall contain the specimen signature of such person, shall be signed on behalf of the Corporation by any officer of the Corporation and may designate an alternate or alternates.

"Balloon Indebtedness" means Long-Term Indebtedness (or Short-Term Indebtedness which is intended to be refinanced upon or prior to maturity so that such Short-Term Indebtedness and the Indebtedness intended to be used to refinance such Short-Term Indebtedness will be outstanding for more than one year, as certified in an Officer's Certificate), 25% or more of the principal of which becomes due (either by maturity or mandatory redemption) or is payable at the option of the holder during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Board of Directors" means the Board of Directors of the Corporation.

"Certificate of the Corporation" means a certificate signed by an Authorized Corporation Representative.

"Certificate of the City" means a certificate signed by an Authorized Representative of City.

"Certificate Register" means the books for registration of Certificates maintained by the Trustee pursuant to Section 605 of the Trust Agreement.

"Certificates" means the \$10,000,000 aggregate principal amount of certificates of participation to be executed and delivered pursuant to the Trust Agreement which evidence direct, undivided fractional interests of the Owners thereof in the Purchase Payments.

"City" means the City of Yuba City, California.

"Certified Resolution" means a copy of a resolution of the Authority certified by an Authority Representative to have been duly adopted by the Authority and to be in full force and effect on the date of such certification.

"Closing Date" means August 11, 2020, the date upon which there is a physical delivery of the Certificates in exchange for the amount representing the purchase of the Certificates by the Original Purchaser.

"Corporation" means Ampla Health, a corporation formed under or subject to the Nonprofit Public Benefit Corporation Law of the State that is organized for the purpose of owning and operating a health facility and that also meets the requirements of section 501(c)(3) of the Code, and any corporation which may become obligated under the Second Installment Sale Agreement, or any corporation which is the surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under the Second Installment Sale Agreement.

"Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date (except as otherwise referenced in the Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Completion Indebtedness” means any Long-Term Indebtedness incurred for the purpose of financing the completion of construction or equipping of any project for which Long-Term Indebtedness has theretofore been incurred in accordance with the provisions of the Second Installment Sale Agreement, to the extent necessary to provide a completed and fully equipped facility of the type and scope contemplated at the time said Long-Term Indebtedness was incurred, and in accordance with the general plans and specifications for such facility as originally prepared and approved in connection with the related financing, modified or amended only in conformance with the provisions of the documents pursuant to which the related financing was undertaken.

“Consultant” means a person, firm, association or corporation who or which is appointed by the Corporation and, so long as the Original Purchaser owns the Certificates, acceptable to the Original Purchaser, for the purpose of passing on questions relating to the financial affairs, management or operations of the Corporation and, in the good faith opinion of the Corporation, has a favorable reputation for skill and experience in performing similar services in respect of entities engaged in reasonably comparable endeavors.

“Days Cash on Hand” means, for any Fiscal Year, the quotient of (unrestricted cash, cash equivalents and marketable securities, but specifically excluding and exclusive of: (1) all-trustee held fund; (2) borrowed moneys payable in one year or less, unless there exists a firm refinancing commitment from a qualified financial institution rated in the “A+” or “A1” or higher rating category; (3) moneys borrowed pursuant to any demand or tender obligation(s), unless a liquidity facility with term-out provisions providing for repayment over no fewer than five years exists from a qualified financial institution rated in the “A+” or “A1” or higher rating category; and (4) borrowed funds that are entrusted with a lender, as of the end of such Fiscal Year), divided by the Corporation’s operating expenses, less depreciation and amortization expense, for such Fiscal Year divided by the number of calendar days in such Fiscal Year.

“Debt Service,” when used with respect to the Certificates, means the scheduled principal and interest components of Purchase Payments payable during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Deed of Trust” means that Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, dated as of August 1, 2020, from the Corporation for the benefit of the Trustee, as the same may be amended and supplemented in accordance with the Second Installment Sale Agreement and the terms thereof, creating a lien on certain real property of the Corporation for the equal and ratable benefit of the Owners of the Certificates and any Parity Debt.

“Default Rate” means the current rate of interest with respect to the Certificates plus 3%.

“Determination of Taxability” means, and shall be deemed to have occurred on the first to occur of, the following:

(i) on the date when the Corporation 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;

(ii) on the date when the Owner or any former Owner notifies the Authority and the Corporation that it has received a written opinion by a nationally recognized attorney or 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 Corporation of such notification from the Owner or any former Owner, the Corporation shall deliver to the Owner and any former Owner (a) absent any occurrence described in clauses (i), (iii) or (iv) of this definition of "Determination of Taxability, an opinion of a nationally recognized attorney or firm of attorneys of substantial experience on the subject of Tax-Exempt municipal finance reasonably acceptable to the Owner stating that an Event of Taxability has not occurred or (b) a ruling or determination letter issued to or on behalf of the Authority or the Corporation by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental 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) on the date when the Authority or the Corporation shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Corporation, or upon any review or audit of the Corporation or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Corporation or the Authority shall receive notice from the Owner or any former Owner 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 Owner or such former Owner the interest with respect to the Certificates 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 Corporation or the Authority 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 Owner or former Owner, the Authority shall promptly reimburse, but solely from payments made by the Corporation, such Owner or former Owner for any payments, including any taxes, interest, penalties or other charges, such Owner (or former Owner) shall be obligated to make as a result of the Determination of Taxability.

"Delivery Costs" means all costs and expenses of execution and delivery of the First Installment Sale Agreement and the Certificates, including, but not limited to: (i) counsel fees, including special counsel, City's counsel, the Corporation's counsel and the Original Purchaser's counsel, as well as any other specialized counsel fees; (ii) financial advisor fees; (iii) initial trustee fees and trustee counsel fees; (iv) accountant fees; (v) closing fees of City; and (vi) any other cost, charge or fee in connection with the execution and delivery of the Certificates, including the CDIAAC fees.

"Delivery Costs Account" means the account by that name established under Section 401, and held by the Trustee pursuant to Section 402, of the Trust Agreement.

"Event of Default" means, with respect to the First Installment Sale Agreement, any event of default specified in Section 701 of the First Installment Sale Agreement, and with respect to the Second Installment Sale Agreement, any event of default specified in Section 701 of the Second Installment Sale Agreement.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

“Event of Taxability” means (i) the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Corporation or the Authority, or the failure to take any action by the Corporation or the Authority, or the making by the Corporation 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 Certificates) which has the effect of causing interest paid or payable with respect to the Certificates to become includable, in whole or in part, in the gross income of the Owner or any former Owner for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable with respect to the Certificates to become includable, in whole or in part, in the gross income of the Owner or any former Owner for federal income tax purposes with respect to the Certificates.

“Facilities” means (i) the real property described in Exhibit A to the First Installment Sale Agreement and the Second Installment Sale Agreement; (ii) all buildings, structures, fixtures and improvements thereon and thereto; and (iii) all personal property owned by the Corporation and used in, around or about the aforesaid real property; in all such cases, whether now existing or hereinafter constructed, installed or acquired.

“Fair Market Value” means the price at which a willing buyer would purchase the 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 Code) and, otherwise, the term *“Fair Market Value”* means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the 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 Code, (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, or (iv) the investment is the Local Agency Investment Fund of the State but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“Federal Securities” means (i) 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 of the United States of America and including certificates or other instruments evidencing ownership interests in direct obligations of the United States of America such as Treasury Receipts), (ii) obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America and (iii) pre-refunded municipal obligations meeting the following conditions: (A) such obligations are not to be callable prior to maturity or the trustee has been given irrevocable instructions concerning their calling and redemption; (B) such obligations are secured by cash or Federal Securities described in clause (i) above which may be applied only to interest, principal, and premium payments of such obligations; (C) the principal of and interest on such Federal Securities (plus any cash in the fund) are sufficient to meet the liabilities of such obligations; (D) such Federal Securities serving

as security for such obligations are held by an escrow agent or trustee; (E) such Federal Securities are not available to satisfy any other claims, including those against the trustee or escrow agent; and (F) the trust or escrow instructions for which cannot be amended to provide for redemption of such Federal Securities prior to the maturity date thereof set forth in the trust or escrow agreement governing such deposit.

“Financing Documents” means, collectively, the First Installment Sale Agreement, the Second Installment Sale Agreement, the First Assignment Agreement, the Second Assignment Agreement, the Trust Agreement and the Deed of Trust.

“First Assignment Agreement” means that certain First Assignment Agreement, dated as of August 1, 2020, by and between the City and the Trustee, as originally executed and as amended from time to time in accordance with its terms.

“First Installment Sale Agreement” means that certain First Installment Sale Agreement, dated as of August 1, 2020, by and between the Corporation and the City, as originally executed and as amended from time to time in accordance with its terms.

“Fiscal Year” means the twelve month period beginning July 1 in each year, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Corporation.

“501(c)(3) Organization” means an organization described in Section 501(c)(3) of the Code.

“Generally Accepted Accounting Principles” or *“GAAP”* means the uniform accounting and reporting procedures set forth in the opinions, pronouncements and publications of the Accounting Principles Board, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board or in such other statements by such other entity as may be of general use by significant segments of the accounting profession as in effect on the date hereof.

“Gross Revenues” means all revenues, income, receipts and money received in any period by the Corporation (other than donor-restricted gifts, grants, bequests, donations and contributions), including, but without limiting the generality of the foregoing: (a) gross revenues derived from the operation and possession of and pertaining to its Facilities, (b) proceeds with respect to, arising from, or relating to its Facilities and derived from (1) insurance (including business interruption insurance) or condemnation proceeds (except to the extent such proceeds are required by the terms of the Second Installment Sale Agreement or other agreements with respect to the Indebtedness which the Corporation is permitted to incur pursuant to the terms of the Second Installment Sale Agreement to be used for purposes inconsistent with their use for the payment of Loan Payments, Additional Payments or similar payments with respect to Parity Debt), (2) accounts, including but not limited to, accounts receivable, (3) securities and other investments, (4) inventory and intangible property, (5) payment/reimbursement programs and agreements, and (6) contract rights, accounts, instruments, claims for the payment of moneys and other rights and assets now or hereafter owned, held or possessed by or on behalf of the Corporation, and (c) rentals received from the lease of the Facilities, including, but not limited to, future interest on any and all revenues or income of any nature or kind which accrue to the Corporation.

“Guaranty” means all loan commitments and all obligations of the Corporation guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person which would, if such other Person were the Corporation, constitute Indebtedness and is acceptable to the Original Purchaser.

"Hazardous Substances" means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Facilities or to Persons on or about the Facilities or (ii) cause the Facilities to be in violation of any Environmental Regulations; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of "waste," "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," or "toxic substances" or words of similar import under any Environmental Regulations including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Environmental Quality Act ("CEQA"), Cal. Public Resources Code § 21000 et seq.; the California Hazardous Waste Control Law ("HWCL"), Cal. Health & Safety Code §§ 25100 et seq.; the Hazardous Substance Account Act ("HSAA"), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Facilities or the owners and/or occupants of property adjacent to or surrounding the Facilities, or any other Person coming upon the Facilities or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

"Indebtedness" means any Guaranty and any indebtedness or obligations for borrowed money of the Corporation (other than accounts payable and accruals), as determined in accordance with GAAP, including obligations under conditional sales contracts or other title retention contracts and rental obligations under leases which are considered capital leases under GAAP.

"Independent Consultant" means a firm which (a) is in fact independent; (b) does not have any direct financial interest or any material indirect financial interest in the Corporation; (c) is not connected with the Corporation as an officer, employee, promoter, trustee, partner, director or person performing similar functions, and designated by the Corporation, qualified to pass upon questions relating to the affairs of facilities of the type or types operated by the Corporation and having a favorable reputation for skill and experience in the affairs of such facilities.

"Installment Payments" means the payments so designated and required to be made by the Corporation pursuant to Section 401 of the Second Installment Sale Agreement and received by the City.

"Insurance and Condemnation Proceeds Fund" means the fund by that name established under Section 401, and held by the Trustee pursuant to Section 404, of the Trust Agreement.

"Insurance Consultant" means a person having experience and a favorable reputation in consulting on the insurance requirements of health care facilities in the State of the general size and character of the Facilities, selected by the Corporation.

“Investor Letter” means a letter in the form of Exhibit D attached hereto executed by the Owner.

“Long-Term Indebtedness” means Indebtedness having an original maturity greater than one year or renewable at the option of the Corporation for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least 30 consecutive days during each calendar year.

“Maximum Annual Debt Service” means the greatest amount of Annual Debt Service becoming due and payable in any Fiscal Year including the Fiscal Year in which the calculation by the Corporation is made or any subsequent Fiscal Year; provided, however, that for the purposes of computing Maximum Annual Debt Service:

(a) there shall be included in the Indebtedness of the Corporation 100% of any Guaranty.

(b) for any Indebtedness for which a binding commitment, letter of credit or other credit arrangement providing for the extension of such Indebtedness beyond its original maturity date exists, the computation of Maximum Annual Debt Service shall, at the option of the Corporation, be made on the assumption that such Indebtedness will be amortized in accordance with such credit arrangement;

(c) for any Balloon Indebtedness, the computation of Maximum Annual Debt Service shall, at the option of the Corporation, assume that such Indebtedness is to be amortized over a period of years to be specified by the Corporation up to a 25-year period, beginning on the date of maturity of such Indebtedness or such earlier date as may be specified by the Corporation, assuming level debt service and a rate of interest (determined as of the time of calculation of Maximum Annual Debt Service) equal to the average rate, certified in a Certificate of the Corporation (which shall be accompanied by and based on an opinion of a banking or investment banking firm, which shall be knowledgeable in such matters) delivered to the Trustee, at which the Corporation could reasonably expect to borrow with such specified term;

(d) if interest on Long-Term Indebtedness is payable pursuant to a variable interest rate formula, the interest rate on such Long-Term Indebtedness for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the average interest rate calculated pursuant to the provisions of the agreement pursuant to which such Long-Term Indebtedness was incurred during the one calendar year prior to the date of calculation or the interest rate that would have been the average interest rate calculated during the one year prior to the date of calculation had such Long-Term Indebtedness been outstanding for the previous year;

(e) debt service on Long-Term Indebtedness incurred to finance capital improvements shall be included in the calculation of Maximum Annual Debt Service only in proportion to the amount of interest on such Long-Term Indebtedness which is payable in the Fiscal Year after such improvement is placed in service from sources other than the proceeds of such Long-Term Indebtedness; and

(f) if moneys or Investment Securities described in clauses (a), (b), (d) or (e) of the definition hereof have been deposited with a trustee in an amount, together with earnings thereon sufficient to pay the principal of or interest on Long-Term Indebtedness as it comes due, such principal or interest, as the case may be, shall be excluded from the calculation of Maximum Annual Debt Service.

“Moody’s” means Moody’s Investors Service, New York, New York, or its successors.

“Net Proceeds,” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance (or any alternative risk management program in which the Corporation participates in lieu of or as a supplement to such insurance) or condemnation award with respect to which that term is used remaining after payment of all expenses incurred in the collection of such gross proceeds.

“Net Revenues Available for Debt Service” means, with respect to the Corporation, as to any period of time, the excess of Gross Revenues over expenses of the Corporation for such period, to which shall be added depreciation, amortization and interest, all as determined in accordance with Generally Accepted Accounting Principles; provided that no such determination shall include any gain or loss resulting from either the extinguishment of Indebtedness, any disposition of capital assets not made in the ordinary course of business, or any non-operating revenues and expenses.

“Nonrecourse Indebtedness” means any Indebtedness secured by a lien, which is not a general obligation of the Corporation and liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property.

“Notice by Mail” or *“notice”* of any action or condition *“by Mail”* shall mean a written notice meeting the requirements of the Trust Agreement mailed by first class mail, postage prepaid, to the Owners of specified Certificates, at the addresses shown on the Certificate Register.

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for City) selected by the Corporation and acceptable to the Trustee.

“Original Purchaser” means First Foundation Bank, the original purchaser of the Certificates delivered pursuant to Section 601 of the Trust Agreement, and its successor and assigns.

“Outstanding” when used with reference to the Certificates and as of any particular date means all Certificates theretofore delivered except: (a) any Certificate canceled by the Trustee at or before said date, (b) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to the Trust Agreement and (c) any Certificate paid, discharged or provided for payment pursuant to the provisions of Section 902 of the Trust Agreement.

“Owner” or *“Certificate Owner”* or *“Owner of Certificates”* or any similar term, when used with respect to the Certificates, means any person who shall be the sole registered owner of the Certificates. Initially, the Owner will be the Original Purchaser.

“Parity Debt” means Indebtedness (a) incurred by the Corporation in accordance with Section 5.14 of the Second Installment Sale Agreement and (b) secured by a lien on or security interest in Gross Revenues in the Gross Revenue Fund or other collateral equally and ratably with the obligations of the Corporation under the Second Installment Sale Agreement. The terms of such indebtedness described in clauses (a) and (b) above shall require that (i) the trustee, if any, for such Indebtedness be the Trustee, and (ii) an event of default for such indebtedness shall include an Event of Default; provided, however, that no Parity Debt shall be secured by the same Pledged Property set forth in the Deed of Trust.

"Payment Dates" means the first day of each February 1 and August 1, commencing on February 1, 2021, and ending on August 1, 2040.

"Permitted Encumbrances" means and includes:

(a) undetermined liens and charges incident to construction or maintenance, and liens and charges incident to construction or maintenance now or hereafter filed of record which are being contested in accordance with the Second Installment Sale Agreement;

(b) the lien of taxes and assessments which are not delinquent or, if delinquent, are being contested by the Corporation;

(c) minor defects and irregularities in the title to the Facilities which in the aggregate do not materially adversely affect the value or operation of the Facilities for the purposes for which they are or may reasonably be expected to be used;

(d) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which in the aggregate do not materially interfere with or impair the operation of the Facilities for the purposes for which they are or may reasonably be expected to be used;

(e) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Facilities which do not materially impair the operation of the Facilities for the purposes for which they are or may reasonably be expected to be used;

(f) any obligations or duties affecting any portion of the Facilities to any municipality or governmental or other public authority with respect to any franchise, grant, license or permit;

(g) present or future valid zoning laws and ordinances;

(h) the rights of the Trustee under the Trust Agreement;

(i) liens securing indebtedness for the payment, redemption or satisfaction of which money (or evidences of indebtedness) in the necessary amount shall have been deposited in trust with a trustee or other holder of such indebtedness;

(j) statutory rights of the United States of America to recover against the Corporation by reason of federal funds made available under 42 U.S.C. §§291 *et seq.*, and similar rights under other federal and state statutes;

(k) statutory liens arising in the ordinary course of business which are not delinquent or are being contested in good faith by the Corporation;

(l) other liens, charges and encumbrances in existence on the Closing Date, for which there are none;

(m) the lease or license of the use of a part of the Facilities for use in performing professional or other services necessary for the proper and economical operation of the Facilities in accordance with customary business practices in the industry;

(n) purchase money security interests and capitalized lease obligations, provided the fair market value (as of the date of acquisition and including any soft costs such as shipping) of any asset so encumbered shall equal or exceed the amount of indebtedness so secured;

(o) liens secured by the Corporation's accounts receivable, subject to the requirements of Section 503 of the Second Installment Sale Agreement; and

(p) any other lien or encumbrance provided that, at the option of the Corporation, the aggregate Book Value or the aggregate fair market value (whichever is greater) of the property subject to all such liens and encumbrances incurred pursuant to this clause (p) does not exceed 20% of the aggregate Book Value or the aggregate fair market value (whichever is greater), respectively, of the Property, Plant and Equipment of the Corporation immediately preceding the creation of such lien or encumbrance.

"Permitted Investments" means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities;

(b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America (including stripped securities if the agency has stripped them itself)

(i) U.S. Export-Import Bank;

(ii) Farmers Home Administration;

(iii) Federal Financing Bank;

(iv) Federal Housing Administration;

(v) General Services Administration;

(vi) Government National Mortgage Association ("GNMA") (including guaranteed mortgage-backed bonds and guaranteed pass-through obligations);

(vii) Rural Economic Community Development Administration

(viii) Small Business Administration

(ix) U.S. Maritime Administration (guaranteed Title XI financing); and

(x) U.S. Department of Housing and Urban Development (including project notes, local authority bonds, new communities debentures, U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds and U.S. government guaranteed public housing notes and bonds);

(c) Debentures, bonds, notes or other evidence of indebtedness issued or guaranteed by any of the following U.S. government agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America (including stripped securities if the agency has stripped them itself):

- (i) Federal Home Loan Bank System (senior debt obligations);
- (ii) Resolution Funding Corporation (REFCORP) obligations;
- (iii) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") senior debt obligations or participation certificates;
- (iv) Federal National Mortgage Association (FNMA or "Fannie Mae") mortgage-backed securities and senior debt obligations;
- (v) Senior debt obligations of other government sponsored agencies approved by the Office.

(d) Investments in money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G, AAAM or better (including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services);

(e) Pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (i) which are rated, based on an irrevocable escrow account or fund (the "Escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

- (ii) (A) which are fully secured as to principal, interest and redemption premium, if any, by an Escrow consisting only of cash or obligations described in paragraph (a) above, which Escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which Escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any with respect to the Certificates or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(f) Repurchase agreements fully secured by collateral security described in clauses (a) (b), (c), or (h) of this definition, which collateral (i) is held by the Trustee or a third party agent during the term of such repurchase agreement, (ii) is not, pursuant to the terms of such agreement, subject to liens or claims of third parties and (iii) has a market value (determined at least once every fourteen days) at least equal to the amount so invested;

(g) Unsecured certificates of deposit, time deposits and banker's acceptance (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's and or certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated A-1 or better by S&P, Moody's or Fitch.

(h) Municipal obligations rated “Aaa/AAA” on the basis of insurance or credit enhancement, provided the underlying rating of the municipal obligation must be at least “Baa/BBB,” uninsured or unenhanced municipal obligations rated at least Aa2/AA or general obligations of states with a rating of “A2/A” by Moody’s or S&P;

(i) U.S. dollar denominated deposit accounts, federal funds or bankers acceptances with domestic commercial banks which may include the Trustee and its affiliates which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P (for purposes of rating, ratings on holding companies are not considered as the rating of the bank) and maturing not more than 360 calendar days after the date of purchase;

(j) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name; and

“*Pledged Property*” means the property of the Corporation described in Exhibit A to the Deed of Trust.

“*Principal Corporate Trust Office*” means the principal corporate trust office of the Trustee in San Francisco, California, or any other location which may be so designated by the Trustee.

“*Proceeds*” means the face amount of the Certificates, plus accrued interest and original issue premium, if any, less original issue discount, if any.

“*Project*” means the financing and refinancing of certain health facilities as follows:

(a) construction and equipping of a square foot, two-story health clinic to be located on a .97 acre site at 355 Samuel Drive in Yuba City, California, containing 18 exam rooms, one treatment room, a conference room, patient intake areas and 450 square feet of space adjacent to the lobby for future services (the “2020 Project”); and

(b) refund the outstanding California Health Facilities Financing Authority Taxable Variable Rate Demand Refunding Revenue Bonds (Ampla Health), Series 2016, issued to:

(i) provide for the refunding of the portion of the then outstanding Certificates of Participation evidencing direct, undivided fractional interests of the owners thereof in purchase payments to be made by the California Statewide Communities Development Authority as the purchase price of certain property pursuant to installment purchase agreements with the Corporation, Central Valley Indian Health, Inc., the Corporation (under its prior name, Del Norte Clinics, Inc.), Open Door Community Health Centers, Salud Para La Gente, Sequoia Community Health Foundation, Social Science Services, Inc. and United Health Centers of the San Joaquin Valley), delivered in 2000 for the benefit of the Corporation, the proceeds of which were used for the purpose of refunding the portion of the outstanding Local Medical Facilities Financing Authority I Certificates of Participation (Insured California Health Clinics Project) delivered to provide assistance to the Corporation, under its former name, Northern Sacramento Valley Rural Health Project, in financing the construction of its health facility located at 227 Swift Street, Orland, California, which facility was subsequently sold and the proceeds received from such sale applied to the construction of the Corporation’s facility at 1211 Cortina Drive Orland, California,

(ii) provide for the refunding of the the outstanding California Statewide Communities Development Authority Insured Health Facility Revenue Bonds (Del Norte Clinics, Inc.), 2003 Series A, issued for the benefit of the Corporation (under its prior name, Del Norte Clinics, Inc.), the proceeds of which were used to finance (A) the acquisition and renovation of a building leased by the Corporation located at 520 Kentucky Street in the City of Gridley (used as a family health clinic), (B) the acquisition and renovation of a building leased by the Corporation located at 680 Cohasset Road in the City of Chico (used as a family health and dental center), (C) construction of a new health and dental facility on a parcel of land owned by the Corporation on Lincoln Road south of Oro Dam Boulevard in the City of Oroville, and (D) finance the acquisition of two buildings leased by the Corporation located at 931 Market Street in the City of Yuba City (used as a pediatric clinic) and 935A Market Street in the City of Yuba City (used as an administration building and medical center),

(iii) provide for the prepayment of a HELP II the proceeds of which were used to finance construction at, and equipment for, the Corporation's health facility located at 4941 Olivehurst Avenue in Olivehurst, California,

(iv) provide for the prepayment of a loan from the United States Department of Agriculture, Rural Development, to the Corporation, the proceeds of which were used to finance construction at, and equipment for, the Corporation's health facility located at 4941 Olivehurst Avenue in Olivehurst, California, and

(v) provide for the prepayment of two loans from Northern California National Bank to the Corporation, the proceeds of which were used to finance the acquisition of land and a building, known as the Enloe Medical Center, located at 7981 Highway 99 in Los Molinos, California.

"Project Account" means the account by that name established under Section 401, and held by the Trustee pursuant to Section 403, of the Trust Agreement.

"Project Costs" means the costs of the acquisition, construction, installation and equipping of the 2020 Project.

"Purchase Payment Account" means the account by that name established under Section 401 and held by the Trustee pursuant to Section 404 of the Trust Agreement.

"Purchase Payments" means the payments so designated and required to be made by the City pursuant to Section 401 of the First Installment Sale Agreement and received by the Corporation.

"Rebate Fund" means the fund by that name created by, and held by the Trustee pursuant to, Section 408 of the Trust Agreement.

"Rebate Requirement" means the amounts required to be rebated to the United States Treasury determined in accordance with the Tax Agreement.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Revenues" means all payments, receipts, installment payments and other income derived by the City or the Trustee under the Second Installment Sale Agreement or otherwise in respect of the financing of the Project as contemplated by the Second Installment Sale

Agreement, and any income or revenue derived from the investment of any money in any fund or account established pursuant to the Trust Agreement, including all Installment Payments and any other payments made by the Corporation with respect to the principal and interest with respect to the Certificates pursuant to the Second Installment Sale Agreement.

“*S&P*” means S&P Global Ratings or its successors.

“*Second Assignment Agreement*” means that certain Second Assignment Agreement, dated as of August 1, 2020, by and between the Corporation and the Trustee, as originally executed and as amended from time to time in accordance with its terms.

“*Second Installment Sale Agreement*” means that certain Second Installment Sale Agreement, dated as of August 1, 2020, by and between the City and the Corporation, as originally executed and as amended from time to time in accordance with its terms.

“*Short-Term Indebtedness*” means indebtedness of the Corporation which (a) has a final maturity not more than 365 days after the date of creation thereof, and (b) is not, pursuant to the terms of a revolving credit or similar agreement or otherwise, renewable or extendible at the option of the Corporation to a date or for a period or periods ending more than 365 days after the date of creation thereof, unless, by the terms of such agreement, no indebtedness is permitted to be outstanding thereunder for a period of at least thirty (30) consecutive days during each period of twelve (12) consecutive months beginning with the effective date of such agreement.

“*State*” means the State of California.

“*Subordinate Indebtedness*” means Indebtedness, and any renewals thereof, which by its terms is specifically subordinated with respect to any security therefor and with respect to right of payment to all Outstanding Certificates and Parity Debt. Subordinate Indebtedness shall also be subject to the following:

(a) The Subordinate Indebtedness shall at all times be wholly subordinate and junior in right of payment to any and all indebtedness of the Corporation under the Second Installment Sale Agreement (herein called “*Superior Indebtedness*”), in the manner and with the force and effect hereafter set forth:

(b) In the event of any liquidation, dissolution or winding up of the Corporation, or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceeding relative to the Corporation or its property, all principal and interest owing on all Superior Indebtedness shall first be paid in full before any payment is made upon the Subordinated Indebtedness, provided, however, that, except for Gross Revenues, this sentence shall not apply to payments made on such Subordinated Indebtedness from the proceeds of collateral specifically securing such Subordinated Indebtedness; and in any such event any payment or distribution of any kind or character from sources other than the proceeds of collateral specifically securing the Subordinated Indebtedness, except for Gross Revenues, whether in cash, property or securities (other than in securities, including equity securities, or other evidences of indebtedness, the payment of which is subordinated to the payment of all Superior Indebtedness which may at the time be outstanding) which shall be made upon or in respect of the Subordinated Indebtedness shall be paid over to the holders of such Superior Indebtedness, pro rata, for application in payment thereof unless and until such Superior Indebtedness shall have been paid or satisfied in full.

(c) In the event that the Subordinated Indebtedness is declared or become due and payable because of the occurrence of any event of default under the Second Installment Sale Agreement (or under the Trust Agreement, as appropriate) or otherwise than at the option of the Corporation, under circumstances when the foregoing subparagraph (i) shall not be applicable, the holders of the Subordinated Indebtedness shall be entitled to payments only after there shall first have been paid in full all Superior Indebtedness outstanding at the time the Subordinated Indebtedness so become due and payable because of any such event, or payment shall have been provided for in a manner satisfactory to the holders of such Superior Indebtedness, provided, however, that, except for Gross Revenues, this sentence shall not apply to payments made on such Subordinated Indebtedness from the proceeds of collateral specifically securing such Subordinated Indebtedness.

(d) The Corporation agrees, for the benefit of the holders of Superior Indebtedness, that in the event that any Subordinated Indebtedness is declared due and payable before its expressed maturity because of the occurrence of a default under the Second Installment Sale Agreement, (i) the Corporation will give prompt notice in writing of such happening to the holders of Superior Indebtedness and (ii) all Superior Indebtedness shall forthwith become immediately due and payable upon demand, regardless of the expressed maturity thereof.

(e) Any default in the covenants contained above shall be an immediate "Event of Default" without regard to any "grace period" otherwise contained in the Second Installment Sale Agreement.

(f) If the holder of the Subordinated Indebtedness is a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept and hold deposits of money or issue certificates of deposit, such holder must agree to waive any common law or statutory right of setoff with respect to any deposits of the Corporation maintained with or held by such holder.

Notwithstanding the foregoing, no Subordinate Indebtedness shall be secured by the same Pledged Property set forth in the Deed of Trust.

"Tax Agreement" means the Tax Certificate and Agreement with respect to the Certificates executed and delivered by the City, the Corporation and the Trustee, as originally executed and as the same may be amended and supplemented from time to time in accordance with the terms thereof.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Certificates, that such interest is excluded from the gross income of the owners thereof (other than any owner who is a "substantial user" of facilities financed with such obligations or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

"Taxable Date" means the date on which interest with respect to the Certificates is first includable in gross income of the Owner (including, without limitation, any previous Owner) thereof as a result of an Event of Taxability as such a date is established pursuant to either (i) the Determination of Taxability or (ii) an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of Tax-Exempt municipal finance; provided, however, that, for the avoidance of doubt, the Taxable Date shall not be earlier than the beginning of the period for which interest with respect to the Certificates is included (taking into account the applicable statute of limitations) in the gross income of the Owner.

"Taxable Period" has the meaning set forth in Section 6.02(b) of the Trust Agreement.

"Taxable Rate" means, with respect to a Taxable Period, the original interest rate with respect to the Certificates multiplied by _____ during such period.

"Total Revenues" means the sum of total net operating revenues, plus net non-operating revenues, as shown on the financial statements of the Corporation, determined in accordance with GAAP, plus any investment income which is offset against interest expense in accordance with GAAP and as a result is not included in total operating revenues or non-operating revenues.

"Trust Agreement" means that certain Trust Agreement, dated as of August 1, 2020, by and among the City, the Corporation and the Trustee, as originally executed and as amended from time to time in accordance with its terms.

"Trust Fund" means the Trust Fund established under and held by the Trustee pursuant to Section 401 of the Trust Agreement.

"Trustee" means U.S. Bank National Association, as Trustee under the Trust Agreement, or any successor thereto appointed as Trustee thereunder in accordance with the provisions of Article V.

"2016 Bonds" means the outstanding California Health Facilities Financing Authority Taxable Variable Rate Demand Refunding Revenue Bonds (Ampla Health), Series 2016.

"2016 Trustee" means U.S. Bank National Association, as trustee for the 2016 Bonds

"Written Certificate," "Statement," "Request," "Requisition" and "Order" of the City or the Corporation mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the City by an Authorized Representative of the City, or in the name of the Corporation by an Authorized Representative of the Corporation, respectively, and delivered to the Trustee. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

EXHIBIT B

FORM OF CERTIFICATE OF PARTICIPATION

OWNERSHIP OF THIS CERTIFICATE MAY BE TRANSFERRED IN WHOLE ONLY, TO A PERSON THAT THE OWNER REASONABLY BELIEVES IS EITHER (I) A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THAT IS PURCHASING THE CERTIFICATES FOR NOT MORE THAN ONE ACCOUNT, FOR ITS OWN ACCOUNT AND NOT WITH A THEN PRESENT VIEW TO DISTRIBUTING THE CERTIFICATES (SUBJECT TO THE PROVISIONS OF THE TRUST AGREEMENT), OR (II) AN "ACCREDITED INVESTOR" AS DEFINED IN SECTION 501(A)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THAT IS PURCHASING THE CERTIFICATES FOR NOT MORE THAN ONE ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A THEN PRESENT VIEW TO DISTRIBUTING THE CERTIFICATES (SUBJECT TO THE PROVISIONS OF THE TRUST AGREEMENT).

CERTIFICATE OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the
Owner Hereof in Purchase Payments to be Made by the
CITY OF YUBA CITY, CALIFORNIA,
As the Purchase Price of Certain Property
Pursuant to a First Installment Sale Agreement with
AMPLA HEALTH

INTEREST RATE	FINAL PAYMENT DATE	DATED DATE
_____ %*	August 1, 2040	August 11, 2020

REGISTERED OWNER: FIRST FOUNDATION BANK

PRINCIPAL AMOUNT: TEN MILLION DOLLARS (\$10,000,000)

THIS IS TO CERTIFY THAT the Registered Owner stated above or registered assigns ("the Owner"), is the registered owner of this Certificate of Participation (the "Certificate") evidencing a direct, undivided fractional interest in the right to receive certain purchase payments (the "Purchase Payments") to be paid by the City of Yuba City (the "City"), pursuant to that certain First Installment Sale Agreement, by and between Ampla Health (the "Corporation"), as seller, and the City, as purchaser, dated as of August 1, 2020 (the "First Installment Sale Agreement"), the Purchase Payments to be made thereunder having been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having an office at which it conducts its corporate trust business in San Francisco, California, or any other location so designated by the Trustee (said office being herein referred to as the "Principal Office").

The Owner of this Certificate is entitled to receive, subject to the terms of the First Installment Sale Agreement, on the first day of February and August, commencing February 1, 2021 (each, a "Payment Date"), the Purchase Payments in the amounts shown on Exhibit A

* The Interest Rate may, under certain circumstances, be converted to the Taxable Rate or the Default Rate, as set forth in the Trust Agreement.

hereto, each such payment representing a principal component and an interest component of the Purchase Payments.

The City is authorized to enter into the First Installment Sale Agreement by the Constitution and laws of the State of California. This Certificate has been delivered as a single, fully registered certificate pursuant to the terms of that certain Trust Agreement, by and among the Trustee, the City and the Corporation, dated as of August 1, 2020 (the "Trust Agreement"). Copies of the Trust Agreement are on file at the office of the City and at the Principal Office and reference to the Trust Agreement and the First Installment Sale Agreement and any and all amendments thereto is made for a description of the pledges and covenants of the City securing the obligation to make Purchase Payments, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Certificates with respect thereto and the terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms of the First Installment Sale Agreement and the Trust Agreement, the provisions of the First Installment Sale Agreement and the Trust Agreement may be amended by the parties thereto under the circumstances provided therein if such amendment does not adversely affect the interests of the registered owners of the Certificates.

The obligation of the City to make Purchase Payments under the First Installment Sale Agreement is a special obligation and is payable solely from Revenues, as said term is defined in the Trust Agreement, consisting primarily of installment payments (the "Installment Payments") made by the Corporation under that certain Second Installment Sale Agreement, dated as of August 1, 2020, by and between the City, as seller, and the Corporation, as purchaser (the "Second Installment Sale Agreement").

The Certificates are subject to optional redemption in whole on any date, upon at least forty-five (45) days prior written notice to the Trustee from the Corporation, from the proceeds of the optional prepayment of Installment Payments made by the Corporation pursuant to the Second Installment Sale Agreement (and, therefore, Purchase Payments to be made by the City pursuant to the First Installment Sale Agreement), derived from any source of available moneys, at a redemption price equal to the principal amount of the Certificates called for redemption, together with accrued interest to the date fixed for redemption, plus a premium, as shown in the following table:

<u>Redemption Period</u>	<u>Redemption Premium</u>
Closing Date through July 31, 2022	3%
August 1, 2022, through July 31, 2024	2
August 1, 2024, through July 31, 2026	1
August 1, 2026, and thereafter	0

Notwithstanding the foregoing, the Certificates are subject to optional redemption prior to their stated maturity, once per year on any Interest Payment Date, in part, in inverse order of sinking fund payment dates, up to 20% of the outstanding principal amount of the Certificates, upon at least forty-five (45) days prior written notice to the Trustee from the Corporation, at a redemption price equal to the principal amount of the Certificates called for redemption, together with accrued interest to the date fixed for redemption, from the proceeds of the optional prepayment of Installment Payments made by the Corporation pursuant to the Second Installment Sale Agreement (and, therefore, Purchase Payments to be made by the City pursuant to the First Installment Sale Agreement), derived from any source of available moneys (other than the proceeds of a refinancing or new borrowing), without premium.

The Certificates are subject to redemption prior to their stated maturity, in part, by lot, from Mandatory Sinking on the first day of each February 1 and August 1, commencing

February 1, 2021, to and including August 1, 2040, in the following principal amounts together with interest accrued thereon to the date fixed for redemption, without premium:

<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment</u>	<u>Redemption Date</u>	<u>Mandatory Sinking Fund Installment</u>
2/1/21		2/1/31	
8/1/21		8/1/31	
2/1/22		2/1/32	
8/1/22		8/1/32	
2/1/23		2/1/33	
8/1/23		8/1/33	
2/1/24		2/1/34	
8/1/24		8/1/34	
2/1/25		2/1/35	
8/1/25		8/1/35	
2/1/26		2/1/36	
8/1/26		8/1/36	
2/1/27		2/1/37	
8/1/27		8/1/37	
2/1/28		2/1/38	
8/1/28		8/1/38	
2/1/29		2/1/39	
8/1/29		8/1/39	
2/1/30		2/1/40	
8/1/30		8/1/40	

The Certificates are subject to extraordinary redemption prior to maturity in whole on any date, or in part on any Payment Date, in inverse order of the Payment Dates, at the principal amount thereof plus accrued interest to the redemption date, without premium, from the net proceeds of an insurance or condemnation award received with respect to the Facilities (as defined in the Trust Agreement) and applied to the prepayment of Purchase Payments derived from the prepayment of Installment Payments.

When redemption is authorized or required, the Trustee shall give to the registered owners of the Certificates written notice at the expense of the Corporation of the redemption of the Certificates. Such notice shall specify: (a) that the whole or a designated portion of the Certificates is to be redeemed, (b) the date of redemption, and (c) the place or places where the redemption will be made. Such notice shall further state that on the specified date of redemption there shall become due and payable with respect to each Certificate or portion thereof to be redeemed the principal thereof, and premium, if any, together with interest accrued from the next preceding Payment Date to which interest has been paid, and that from and after such date of redemption interest shall cease to accrue and be payable.

Notice of such redemption shall be given by mail, postage prepaid, not more than sixty (60) days nor less than thirty (30) days prior to said date of redemption, to the registered owners of any Certificates which Certificates are to be redeemed. Failure to mail any such notice or any defect in such notice as mailed shall not affect the validity of the proceedings for the redemption of the Certificates.

The registration of this Certificate shall be transferable only upon the Certificate Register (as defined in the Trust Agreement), upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his attorney, duly authorized in writing. Upon the registration of the transfer, and the surrender of this Certificate, the Trustee shall provide, in the name of the transferee, a new fully registered Certificate or

Certificates of the same aggregate principal amount and Maturity Date as the surrendered Certificate. The Trustee shall not be required to register the transfer or exchange of any Certificate (i) within the 15 days preceding selection of Certificates for redemption and (ii) selected for redemption.

The obligation of the City to make Purchase Payments does not constitute a debt of the City or its members, of the State of California, or of any other political subdivision of the State of California, within the meaning of any constitutional or statutory debt limitation or restriction, or a pledge of the faith and credit of the City, of the Trustee, of the State of California, or of any other political subdivision of the State of California. THE OBLIGATION OF THE CITY TO MAKE PURCHASE PAYMENTS UNDER THE FIRST INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION AND IS PAYABLE SOLELY FROM REVENUES, AS SAID TERM IS DEFINED IN THE FIRST INSTALLMENT SALE AGREEMENT, AND FROM NO OTHER SOURCE WHATSOEVER.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The recitals of facts, covenants and agreements in this Certificate shall be taken as statements, covenants and agreements of the City and the Corporation and the Trustee assumes no responsibility therefor.

The City and the Corporation have certified, recited and declared that all conditions, things and acts required by the Constitution and statutes of the State of California, the First Installment Sale Agreement and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of the Trustee as of the date set forth below.

Date of Execution:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Certificate and hereby irrevocably constitute(s) and appoints(s)

attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature:

Note: Signature(s) must be guaranteed by a qualified guarantor institution.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT C
CERTIFICATE PAYMENT SCHEDULE