

**C O U N T Y   A D M I N I S T R A T O R**

SUSAN S. MURANISHI  
COUNTY ADMINISTRATOR

April 16, 2014

Honorable Board of Supervisors  
Administration Building  
Oakland, California 94612

**SUBJECT:   APPROVAL OF A RESOLUTION AND FINANCING DOCUMENTS FOR THE  
ISSUANCE OF LEASE REVENUE BONDS IN SUPPORT OF THE EAST  
COUNTY HALL OF JUSTICE PROJECT, REAFFIRM THE SELECTION OF  
THE FINANCE TEAM FOR THE PROJECT, AND RECOMMEND  
UNDERWRITERS TO THE STATE TREASURER**

Dear Board Members:

RECOMMENDATION:

In order to provide funding for the construction of the East County Hall of Justice (ECHOJ) Project, it is recommended that your Board conduct a public hearing regarding the proposed issuance of bonds by the Alameda County Joint Powers Authority and:

1. Adopt a resolution authorizing the issuance of Lease Revenue Bonds ("the 2014 Bonds") in an aggregate principal amount not to exceed \$95,000,000 and at a true interest cost not to exceed seven percent to (i) provide funds to finance a portion of the costs of construction of the ECHOJ (the "Project"), (ii) fund the costs of issuing the 2014 Bonds, (iii) fund capitalized interest payable with respect to the 2014 Bonds, and (iv) fund a Reserve Fund;
2. Approve the form of and authorize the execution of the following documents related to the sale of the 2014 Bonds: a Master Indenture; a First Supplemental Indenture; a Site Lease; a Facility Lease; an Agency Agreement; a Subordination, Non-Disturbance and Attornment Agreement; a Continuing Disclosure Statement; and a Bond Purchase Contract;
3. Approve the form of the Preliminary Official Statement, and approve the distribution of the Preliminary Official Statement, authorize additions or corrections to the Preliminary Official Statement, and authorize the distribution of the final Official Statement upon completion;
4. Authorize the President or Vice-President of the Board, the County Administrator, or their respective authorized designee to do any and all things that they may deem necessary or advisable in order to consummate the transactions herein authorized, including, but not limited to negotiating with providers of credit support for the 2014 Bonds and execution of such further documents as are necessary and appropriate to implement the authorized transactions;

5. Reaffirm the selection of the following firms for the finance team for this transaction:
  - a. Bond Counsel Services:  
Orrick, Herrington and Sutcliffe, LLP (Principal: Mary Collins; Location: San Francisco)
  - b. Disclosure Counsel Services:  
Curls Bartling, P.C. (Principal: Ericka Curls Bartling; Location: Oakland)
  - c. Financial Advisors:
 

Municipal Advisor	Public Financial Management, Inc. (Principal: Eric Espino; Location: Los Angeles)
Co-Municipal Advisor:	TKG & Associates (Principal: Charlotte Knight-Marshall; Location: San Francisco)
  
6. Recommend to the State Treasurer's office the appointment of the following underwriters for this transaction:
 

Co-Senior Manager (Bookrunner)	Siebert Brandford Shank & Co, LLC (Principal: Peter Wong; Location: Oakland)
Co-Senior Manager	JP Morgan (Principal: Michael Carlson; Location: San Francisco)
Co-Manager	Loop Capital Markets, LLC (Principal: Jason Richter; Location: Los Angeles)
Co-Manager	Blaylock Robert Van, LLC (Principal: Eric Van Standifer; Location: Oakland)

#### DISCUSSION/SUMMARY:

On December 8, 2009, your Board approved a non-binding Term Sheet for the development of the East County Courthouse in Dublin by and among the Judicial Council of California Administrative Office of the Courts (AOC), the Superior Court of the County of Alameda and the County of Alameda, which memorialized the principal terms and concepts of constructing and financing the East County Courthouse in the city of Dublin. The term sheet provided for the issuance of bonds to partially fund this project. Additional funds will be provided in the form of an equity contribution from the State parties, as well as from the Courthouse Construction Funds, which were pledged by your Board for this project at your December 16, 2003 meeting.

On April 3, 2014, the AOC proposed a cash option as an alternative to the sale of bonds to finance the construction of the East County Courthouse; a term sheet reflecting this option is under review by staff. If this option is deemed preferable, a recommendation to limit the sale of bonds to amounts sufficient to fund only the County portion of project costs or to rescind the authorization of the sale of bonds in its entirety will be submitted to your Board.

#### SELECTION CRITERIA:

The selection of bond counsel for this project was approved by your Board on December 8, 2003. The selection of disclosure counsel for this project is based on the County's contract with Curls Bartling, P.C. for ongoing disclosure services; that contract includes transaction-related services.

The approval of Financial Advisors for this project is based on a reauthorization on December 9, 2003 of your Board's June 15, 1999 authorization of Public Financial Management and The Knight Group as financial advisors for the Juvenile Justice Center Project. The December 9, 2003 authorization was based upon the assumption that the Juvenile Justice Center and the ECHOJ projects would be funded

through two series of bonds issued under one indenture. Although there has been a delay in the issuance of bonds for the Courthouse project, these firms have been providing services to the County on the ECHOJ Project during the many years that the County has been negotiating with the State parties on this project.

As the official Agent of Sale for the sale of the ECHOJ bonds, the State Treasurer's Office (STO) will appoint the underwriters, and STO syndicate policies will govern the transaction. With the exception of Blaylock Robert Van, the selection of the identified underwriters for this project was approved by your Board on December 9, 2003. Blaylock Robert Van, a member of the County's Finance Pool, is intended to meet the STO's requirement to include an underwriting firm that has been identified as a member of the STO's Small Firm Program.

FINANCING:

The costs associated with the issuance of the ECHOJ bonds will be incorporated into the cost of issuance for the proposed financing. Borrowing costs will be paid during the construction period from capitalized interest. After completion and occupancy of the ECHOJ by the Alameda County Superior Court, annual debt service costs will be paid from a combination of lease payments from the State AOC and funds deposited in the County's Criminal Justice Facilities Trust Fund.

Very truly yours,



Susan S. Muranishi  
County Administrator

SSM:LK:nr

Attachments

- c: Auditor-Controller
- Treasurer/Tax Collector
- County Counsel
- Director, General Services Agency
- Leah Wilson, Executive Officer, Superior Court
- Jeanne Trujillo, State Treasurer's Office
- Gisele Corrie, Administrative Office of the Courts
- Bill Guerin, Administrative Office of the Courts
- Rona Rothenberg, Administrative Office of the Courts
- Leslie Miessner, Administrative Office of the Courts

2014 Alameda County Bonds Financial Team Diversity Information

Role	Firm	Majority %	MBE%	WBE%	DBE%	Lead	Cert/AAP*
<b>Counsel</b>							
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	71%	13%	17%			4/18/2014
Special Tax Counsel	TBD						
Disclosure Counsel	Curls Bartling P.C.		100%	100%			4/14/2014
Underwriters Counsel	Amira Jackmon		100%	100%	100%		N/A
<b>Underwriters</b>							
Senior Manager	Siebert, Brandford, Shank & Co., LLC	49%	51%			Lead	4/15/2014
Co Manager	J.P. Morgan Securities	100% Publicly Traded					4/15/2014
Co Manager	Loop Capital Markets	10%	87%				4/18/2014
Co Manager	Blaylock Robert Van, LLC	28%	72%				4/11/2014
<b>Municipal Advisors</b>							
Financial Advisor	Public Financial Management, Inc.	52%	39%		9%	Lead	4/15/2014
Co-Financial Advisor	TKG & Associates		100%	100%	100%		4/17/2014
<b>Others</b>							
Trustee	BNY Mellon	100% Publicly Traded					4/17/2014
Escrow Agent	TBD						
Escrow Agent Counsel	TBD						
Printer	TBD						
Verification Agent	TBD						

\* Date on which either MBE, WBE, or DBE Certificate or current Affirmative Action Plan, as applicable, was provided to the County.

2014 Alameda County Bonds Financial Team Diversity Information

Role	Firm	Majority %	MBE%	WBE%	DBE%	Lead	Cert/AAP*	
<b>Counsel</b>								
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	71%	13%	17%			4/18/2014	
Special Tax Counsel	TBD							
Disclosure Counsel	Curls Bartling P.C.		100%	100%			4/14/2014	
Underwriters Counsel	Amira Jackmon		100%	100%	100%		N/A	
<b>Underwriters</b>								
Senior Manager	Siebert, Brandford, Shank & Co., LLC	49%	51%			Lead	4/15/2014	
Co Manager	J.P. Morgan Securities	100% Publicly Traded						4/15/2014
Co Manager	Loop Capital Markets	10%	87%				4/18/2014	
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<b>Municipal Advisors</b>								
Financial Advisor	Public Financial Management, Inc.	52%	39%		9%	Lead	4/15/2014	
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<b>Others</b>								
Trustee	BNY Mellon	100% Publicly Traded						4/17/2014
Escrow Agent	TBD							
Escrow Agent Counsel	TBD							
Printer	TBD							
Verification Agent	TBD							

\* Date on which either MBE, WBE, or DBE Certificate or current Affirmative Action Plan, as applicable, was provided to the County.

**BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO 2014-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA APPROVING THE ISSUANCE BY THE ALAMEDA COUNTY JOINT POWERS AUTHORITY OF NOT TO EXCEED \$95,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (EAST COUNTY HALL OF JUSTICE), SERIES 2014; AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A MASTER INDENTURE, A SUPPLEMENTAL INDENTURE, A SITE LEASE, A FACILITY LEASE, AN OFFICIAL STATEMENT AND RELATED FINANCING DOCUMENTS; APPROVING A FORM AND DIRECTING THE EXECUTION AND DELIVERY OF A SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the County of Alameda (the “County”) and the Surplus Property Authority of the County of Alameda have heretofore entered into an Amended and Restated Joint Exercise of Powers Agreement, dated as of March 18, 2014 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Alameda County Joint Powers Authority (the “Authority”);

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Marks-Roos Local Bond Pooling Act of 1985”) and the Joint Powers Agreement authorize and empower the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

**WHEREAS**, the County has requested, and it furthers the public purpose for, the Authority to assist the County in the financing of public capital improvements within the County, including the acquisition, construction and equipping of the County’s East County Hall of Justice (the “2014 Project”);

**WHEREAS**, in accordance with the Marks-Roos Local Bond Pooling Act of 1985 this Board of Supervisors (the “Board”) on the date hereof held a public hearing on the proposed financing following publication of the notice of the public hearing at least five days prior thereto in a newspaper of general circulation in the County and the Board hereby approves the financing and finds that it will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs;

**WHEREAS**, the County has requested and approved the Authority’s issuance of not to exceed \$95,000,000 in aggregate principal amount of the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), Series 2014 (the “2014 Bonds”), for the purpose of financing the 2014 Project;

**WHEREAS**, the 2014 Series A Bonds are proposed to be issued pursuant to a Master Indenture (the “Master Indenture”) and one or more Supplemental Indentures (each a “Supplemental Indenture”), each to be tentatively dated as of July 1, 2014, between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the “Trustee”);

**WHEREAS**, the County will lease certain real property and improvements thereon to the Authority pursuant one or more Site Leases, tentatively dated as of July 1, 2014 (each a “Site Lease”), by and between the County and the Authority;

**WHEREAS**, the Authority will construct and lease back the 2014 Project (the “Facility”) pursuant to one ore more Facility Leases (each, a “Facility Lease”), tentatively dated as of July 1, 2014 by and between the County and the Authority;

**WHEREAS**, County will be obligated to make base rental payments to the Authority for the lease of the Facility;

**WHEREAS**, pursuant to an Agency Agreement (the “Agency Agreement”) tentatively dated as of July 1, 2014 by and between the Authority and the County, the Authority will appoint the County as its Agent for the construction of the 2014 Project;

**WHEREAS**, the County will cause the 2014 Project to be constructed pursuant to the Agency Agreement;

**WHEREAS**, the County, the Authority, the Judicial Council of California, Administrative Office of the Courts, and the State Public Works Board of the State of California will execute and deliver a Subordination, Nondisturbance, and Attornment Agreement in connection with the financing (the “Subordination, Nondisturbance, and Attornment Agreement”);

**WHEREAS**, due to the complex nature of the transaction and to maximize benefits to the County, the County has requested that the Authority sell the 2014 Bonds bearing interest at fixed rates through a negotiated sale to Siebert Brandford Shank & Co., LLC, as Senior Manager (the “Senior Manager”) and certain co-managers as may be determined by the County (the “Co-Managers,” and, together with the Senior Manager, the “Underwriter”) for the 2014 Bonds;

**WHEREAS**, there have been made available (by filing with the County Administrator) or presented to this Board proposed forms of:

1. the Master Indenture;
2. a Supplemental Indenture;
3. a Site Lease;
4. a Facility Lease;
5. an Official Statement relating to the 2014 Bonds (the “Official Statement”);
6. the Agency Agreement;

7. a Continuing Disclosure Certificate, to be dated the date of issuance of the 2014 Bonds (the "Continuing Disclosure Certificate"), of the County; and
8. a Bond Purchase Contract, to be dated the date of sale of the 2014 Bonds (the "Bond Purchase Contract"), to be entered into among the Authority, the County and the Underwriter; and
9. a Subordination, Nondisturbance, and Attornment Agreement.

**WHEREAS**, in connection with the financing, Orrick, Herrington & Sutcliffe LLP is serving as bond counsel ("Bond Counsel") along with such other co-bond counsel as may be determined by the County, Curls Bartling, P.C. is serving as disclosure counsel ("Disclosure Counsel"), and Public Financial Management, Inc. and TKG & Associates are serving as registered municipal advisors (each a "Financial Advisor," and together "Financial Advisors");

**WHEREAS**, it is in the public interest, convenience and welfare and for the common benefit of the inhabitants of the County that the County enter into this lease financing with the Authority to finance the 2014 Project;

**WHEREAS**, this Board desires to authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, the issuance of the 2014 Bonds by the Authority, the execution and delivery of the Master Indenture, the Supplemental Indentures, the County Site Lease, the County Facility Lease, the Courthouse Site Lease, the Courthouse Facility Lease, the Agency Agreement, and the negotiated sale of the 2014 Bonds will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

**NOW THEREFORE**, BE IT RESOLVED BY the Board of Supervisors of the County of Alameda, State of California, as follows:

Section 1. All of the recitals above set forth are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves the issuance of the 2014 Bonds in one or more series by the Authority, in an aggregate principal amount not to exceed \$95,000,000, for the financing of the 2014 Project. The President of this Board, the County Administrator, the Assistant County Administrator, the Auditor-Controller, or the Treasurer of the County or their respective authorized designee (each, an "Authorized Officer") and each of them alone or in combination are hereby authorized and directed to perform the duties imposed upon them by the provisions of the financing documents, including the Indenture and the Continuing Disclosure Certificate.

Section 3. The proposed form of Master Indenture is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Master Indenture in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.



Section 4. The proposed form of First Supplemental Indenture is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Supplemental Indentures in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Site Lease is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Site Leases in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of Facility Lease is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Facility Leases in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Agency Agreement is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Agency Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The proposed form of Continuing Disclosure Certificate is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The proposed form of Official Statement relating to the 2014 Bonds is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Official Statement in substantially said form with such insertions, deletions or changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by any Authorized Officer. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute a certificate confirming that the Preliminary Official Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12. Each of the Authorized Officers, acting alone, is hereby authorized and directed to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by such officer as necessary to cause the information contained therein to conform to facts material to the 2014 Bonds or to the proceedings of this Board or that such corrections or additions are in form rather than in substance.

Section 10. The proposed form of Bond Purchase Contract is hereby approved. The Authorized Officers are hereby authorized and directed for and in the name and on behalf of the County, to accept the offer of the Underwriter to purchase the 2014 Bonds as reflected in the Bond Purchase Contract; and to execute and deliver one or more Bond Purchase Contracts in substantially said form, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract(s); provided, that the true interest cost of the 2014 Bonds shall not exceed seven percent (7%), and the underwriting discount (excluding any original issue discount) shall not exceed one half of a percent (0.5%) of the aggregate principal amount of the 2014 Bonds.

Section 11. The proposed form of Subordination, Nondisturbance, and Attornment Agreement is hereby approved. The Authorized Officers are hereby authorized and directed for and in the name of the County, to execute and deliver the Subordination, Nondisturbance, and Attornment Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 12. The Authorized Officers are hereby authorized to negotiate with providers of credit support for the 2014 Bonds, including providers of reserve fund sureties and, if such officer determines it is in the best interest of the County, to commit to purchase or enter into or approve agreements providing credit support for some or all of the 2014 Bonds.

Section 13. The officials, officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, preparation of title reports and/or purchase of a title insurance policy, execution of certificates, including signature certificates, no-litigation certificates, tax and rebate certificates, certificates concerning the contents of the Official Statement distributed in connection with the sale of the 2014 Bonds, and certificates required in connection with any consent or approval needed prior to the issuance of the 2014 Bonds, engagement of agents, professionals and other consultants as are necessary or desirable to accomplish the financing and related transactions, the payment of agents, professionals and other consultants should another financing method be chosen, reducing or increasing the number of series of 2014 Bonds issued and/or site and facility leases executed and delivered, and the making of presentations to rating agencies. The appropriate officers of the County are hereby authorized and directed to execute and deliver any and all certificates, instructions as to investments, written requests and other certificates necessary or desirable to pay costs of issuance of the 2014 Bonds or to accomplish the transactions contemplated herein.

Section 14. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the 2014 Bonds, including without limitation accepting any deed of property or executing any documents necessary to clarify title or any of the foregoing which may be necessary or desirable in connection with administering the documents or any default under or amendment of such documents or additional confirmations, terminations, settlements or revisions, or approval of additional trustees, paying agents or other entities facilitating the transaction may be taken or given by the Authorized Officers, or a designee of either, without further authorization by

this Board, and the Authorized Officers, or a designee of any of them, is hereby authorized and directed to give such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution and the transactions contemplated hereby.

Section 15. All actions heretofore taken by the officers and agents of the Board or the County with respect to the financing are hereby ratified, confirmed and approved.

Section 16. This Resolution shall take effect from and after its adoption and approval.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of Alameda, State of California, this 22<sup>nd</sup> day of April, 2014, by the following vote:

AYES: Supervisors

NOES:

ABSENT:

ABSTAIN:

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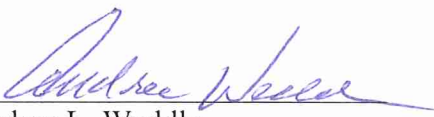
Keith Carson, President  
Board of Supervisors of the  
County of Alameda

ATTEST:

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Anika Campbell-Belton  
Clerk of the Board of Supervisors  
County of Alameda

APPROVED AS TO FORM:  
DONNA ZIEGLER, County Counsel

By   
Andrea L. Weddle  
Assistant County Counsel

**CERTIFICATE OF CLERK OF THE BOARD OF SUPERVISORS  
COUNTY OF ALAMEDA**

I, Anika Campbell-Belton, Clerk of the Board of Supervisors of the County of Alameda, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Supervisors of the County of Alameda duly and regularly held in Oakland, California, on April 22, 2014, of which meeting all of the members of said Board had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in Oakland, California, freely accessible to the public and a brief general description of the resolution to be adopted at said meeting appeared on said agenda.

**IN WITNESS WHEREOF**, I have executed this certificate and affixed the seal of the Board of Supervisors of the County of Alameda hereto as of this \_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_  
Anika Campbell-Belton  
Clerk of the Board of Supervisors  
County of Alameda

**BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO 2014-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA APPROVING THE ISSUANCE BY THE ALAMEDA COUNTY JOINT POWERS AUTHORITY OF NOT TO EXCEED \$95,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (EAST COUNTY HALL OF JUSTICE), SERIES 2014; AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A MASTER INDENTURE, A SUPPLEMENTAL INDENTURE, A SITE LEASE, A FACILITY LEASE, AN OFFICIAL STATEMENT AND RELATED FINANCING DOCUMENTS; APPROVING A FORM AND DIRECTING THE EXECUTION AND DELIVERY OF A SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the County of Alameda (the “County”) and the Surplus Property Authority of the County of Alameda have heretofore entered into an Amended and Restated Joint Exercise of Powers Agreement, dated as of March 18, 2014 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Alameda County Joint Powers Authority (the “Authority”);

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Marks-Roos Local Bond Pooling Act of 1985”) and the Joint Powers Agreement authorize and empower the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

**WHEREAS**, the County has requested, and it furthers the public purpose for, the Authority to assist the County in the financing of public capital improvements within the County, including the acquisition, construction and equipping of the County’s East County Hall of Justice (the “2014 Project”);

**WHEREAS**, in accordance with the Marks-Roos Local Bond Pooling Act of 1985 this Board of Supervisors (the “Board”) on the date hereof held a public hearing on the proposed financing following publication of the notice of the public hearing at least five days prior thereto in a newspaper of general circulation in the County and the Board hereby approves the financing and finds that it will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs;

**WHEREAS**, the County has requested and approved the Authority’s issuance of not to exceed \$95,000,000 in aggregate principal amount of the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), Series 2014 (the “2014 Bonds”), for the purpose of financing the 2014 Project;

**WHEREAS**, the 2014 Series A Bonds are proposed to be issued pursuant to a Master Indenture (the “Master Indenture”) and one or more Supplemental Indentures (each a “Supplemental Indenture”), each to be tentatively dated as of July 1, 2014, between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the “Trustee”);

**WHEREAS**, the County will lease certain real property and improvements thereon to the Authority pursuant one or more Site Leases, tentatively dated as of July 1, 2014 (each a “Site Lease”), by and between the County and the Authority;

**WHEREAS**, the Authority will construct and lease back the 2014 Project (the “Facility”) pursuant to one or more Facility Leases (each, a “Facility Lease”), tentatively dated as of July 1, 2014 by and between the County and the Authority;

**WHEREAS**, County will be obligated to make base rental payments to the Authority for the lease of the Facility;

**WHEREAS**, pursuant to an Agency Agreement (the “Agency Agreement”) tentatively dated as of July 1, 2014 by and between the Authority and the County, the Authority will appoint the County as its Agent for the construction of the 2014 Project;

**WHEREAS**, the County will cause the 2014 Project to be constructed pursuant to the Agency Agreement;

**WHEREAS**, the County, the Authority, the Judicial Council of California, Administrative Office of the Courts, and the State Public Works Board of the State of California will execute and deliver a Subordination, Nondisturbance, and Attornment Agreement in connection with the financing (the “Subordination, Nondisturbance, and Attornment Agreement”);

**WHEREAS**, due to the complex nature of the transaction and to maximize benefits to the County, the County has requested that the Authority sell the 2014 Bonds bearing interest at fixed rates through a negotiated sale to Siebert Brandford Shank & Co., LLC, as Senior Manager (the “Senior Manager”) and certain co-managers as may be determined by the County (the “Co-Managers,” and, together with the Senior Manager, the “Underwriter”) for the 2014 Bonds;

**WHEREAS**, there have been made available (by filing with the County Administrator) or presented to this Board proposed forms of:

1. the Master Indenture;
2. a Supplemental Indenture;
3. a Site Lease;
4. a Facility Lease;
5. an Official Statement relating to the 2014 Bonds (the “Official Statement”);
6. the Agency Agreement;

7. a Continuing Disclosure Certificate, to be dated the date of issuance of the 2014 Bonds (the "Continuing Disclosure Certificate"), of the County; and
8. a Bond Purchase Contract, to be dated the date of sale of the 2014 Bonds (the "Bond Purchase Contract"), to be entered into among the Authority, the County and the Underwriter; and
9. a Subordination, Nondisturbance, and Attornment Agreement.

**WHEREAS**, in connection with the financing, Orrick, Herrington & Sutcliffe LLP is serving as bond counsel ("Bond Counsel") along with such other co-bond counsel as may be determined by the County, Curls Bartling, P.C. is serving as disclosure counsel ("Disclosure Counsel"), and Public Financial Management, Inc. and TKG & Associates are serving as registered municipal advisors (each a "Financial Advisor," and together "Financial Advisors");

**WHEREAS**, it is in the public interest, convenience and welfare and for the common benefit of the inhabitants of the County that the County enter into this lease financing with the Authority to finance the 2014 Project;

**WHEREAS**, this Board desires to authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, the issuance of the 2014 Bonds by the Authority, the execution and delivery of the Master Indenture, the Supplemental Indentures, the County Site Lease, the County Facility Lease, the Courthouse Site Lease, the Courthouse Facility Lease, the Agency Agreement, and the negotiated sale of the 2014 Bonds will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

**NOW THEREFORE**, BE IT RESOLVED BY the Board of Supervisors of the County of Alameda, State of California, as follows:

Section 1. All of the recitals above set forth are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves the issuance of the 2014 Bonds in one or more series by the Authority, in an aggregate principal amount not to exceed \$95,000,000, for the financing of the 2014 Project. The President of this Board, the County Administrator, the Assistant County Administrator, the Auditor-Controller, or the Treasurer of the County or their respective authorized designee (each, an "Authorized Officer") and each of them alone or in combination are hereby authorized and directed to perform the duties imposed upon them by the provisions of the financing documents, including the Indenture and the Continuing Disclosure Certificate.

Section 3. The proposed form of Master Indenture is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Master Indenture in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of First Supplemental Indenture is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Supplemental Indentures in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Site Lease is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Site Leases in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of Facility Lease is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Facility Leases in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Agency Agreement is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Agency Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The proposed form of Continuing Disclosure Certificate is hereby approved. The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The proposed form of Official Statement relating to the 2014 Bonds is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Official Statement in substantially said form with such insertions, deletions or changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby authorized to distribute and deliver copies of the Official Statement to purchasers of the Bonds, with such changes therein as may be approved or required by any Authorized Officer. The distribution of copies of the Official Statement in preliminary form is hereby authorized and approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute a certificate confirming that the Preliminary Official Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12. Each of the Authorized Officers, acting alone, is hereby authorized and directed to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by such officer as necessary to cause the information contained therein to conform to facts material to the 2014 Bonds or to the proceedings of this Board or that such corrections or additions are in form rather than in substance.



Section 10. The proposed form of Bond Purchase Contract is hereby approved. The Authorized Officers are hereby authorized and directed for and in the name and on behalf of the County, to accept the offer of the Underwriter to purchase the 2014 Bonds as reflected in the Bond Purchase Contract; and to execute and deliver one or more Bond Purchase Contracts in substantially said form, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract(s); provided, that the true interest cost of the 2014 Bonds shall not exceed seven percent (7%), and the underwriting discount (excluding any original issue discount) shall not exceed one half of a percent (0.5%) of the aggregate principal amount of the 2014 Bonds.

Section 11. The proposed form of Subordination, Nondisturbance, and Attornment Agreement is hereby approved. The Authorized Officers are hereby authorized and directed for and in the name of the County, to execute and deliver the Subordination, Nondisturbance, and Attornment Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 12. The Authorized Officers are hereby authorized to negotiate with providers of credit support for the 2014 Bonds, including providers of reserve fund sureties and, if such officer determines it is in the best interest of the County, to commit to purchase or enter into or approve agreements providing credit support for some or all of the 2014 Bonds.

Section 13. The officials, officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, preparation of title reports and/or purchase of a title insurance policy, execution of certificates, including signature certificates, no-litigation certificates, tax and rebate certificates, certificates concerning the contents of the Official Statement distributed in connection with the sale of the 2014 Bonds, and certificates required in connection with any consent or approval needed prior to the issuance of the 2014 Bonds, engagement of agents, professionals and other consultants as are necessary or desirable to accomplish the financing and related transactions, the payment of agents, professionals and other consultants should another financing method be chosen, reducing or increasing the number of series of 2014 Bonds issued and/or site and facility leases executed and delivered, and the making of presentations to rating agencies. The appropriate officers of the County are hereby authorized and directed to execute and deliver any and all certificates, instructions as to investments, written requests and other certificates necessary or desirable to pay costs of issuance of the 2014 Bonds or to accomplish the transactions contemplated herein.

Section 14. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the 2014 Bonds, including without limitation accepting any deed of property or executing any documents necessary to clarify title or any of the foregoing which may be necessary or desirable in connection with administering the documents or any default under or amendment of such documents or additional confirmations, terminations, settlements or revisions, or approval of additional trustees, paying agents or other entities facilitating the transaction may be taken or given by the Authorized Officers, or a designee of either, without further authorization by

this Board, and the Authorized Officers, or a designee of any of them, is hereby authorized and directed to give such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution and the transactions contemplated hereby.

Section 15. All actions heretofore taken by the officers and agents of the Board or the County with respect to the financing are hereby ratified, confirmed and approved.

Section 16. This Resolution shall take effect from and after its adoption and approval.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of Alameda, State of California, this 22<sup>nd</sup> day of April, 2014, by the following vote:

AYES: Supervisors

NOES:

ABSENT:

ABSTAIN:

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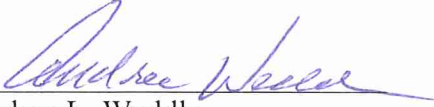
Keith Carson, President  
Board of Supervisors of the  
County of Alameda

ATTEST:

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Anika Campbell-Belton  
Clerk of the Board of Supervisors  
County of Alameda

APPROVED AS TO FORM:  
DONNA ZIEGLER, County Counsel

By   
Andrea L. Weddle  
Assistant County Counsel

**CERTIFICATE OF CLERK OF THE BOARD OF SUPERVISORS  
COUNTY OF ALAMEDA**

I, Anika Campbell-Belton, Clerk of the Board of Supervisors of the County of Alameda, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Supervisors of the County of Alameda duly and regularly held in Oakland, California, on April 22, 2014, of which meeting all of the members of said Board had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in Oakland, California, freely accessible to the public and a brief general description of the resolution to be adopted at said meeting appeared on said agenda.

**IN WITNESS WHEREOF**, I have executed this certificate and affixed the seal of the Board of Supervisors of the County of Alameda hereto as of this \_\_\_\_ day of \_\_\_\_\_, 2014.

By \_\_\_\_\_  
Anika Campbell-Belton  
Clerk of the Board of Supervisors  
County of Alameda

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MASTER INDENTURE

by and between the

ALAMEDA COUNTY JOINT POWERS AUTHORITY

and

[TRUSTEE]  
as Trustee

Dated as of \_\_\_\_\_ 1, 2014

Relating to  
Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice)

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THIS INDENTURE dated as of \_\_\_\_\_ 1, 2014 (this “Indenture”), by and between the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the “Authority”), a joint exercise of powers authority duly organized and existing pursuant to an amended and restated Joint Exercise of Powers Agreement by and between the County of Alameda and the Surplus Property Authority of the County of Alameda, and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”);

W I T N E S S E T H:

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

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

WHEREAS, the County of Alameda (the “County”) following a public hearing duly noticed and held, has determined that the financing by the Authority of the Alameda East County Hall of Justice consisting of the County Facility and the Court Facility (together the “Facilities”, as set forth in Exhibit C to the Facility Lease (the “2014 Project”), and the consummation of the transactions contemplated in the Site Lease[s] (as hereinafter defined), the Facility Leases (as hereinafter defined) and this Indenture will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to Article 4 of the Act to lease of the Facilities (as hereinafter defined), and to finance the 2014 Project (as hereinafter defined) through the issuance of its bonds;

WHEREAS, the County has requested the Authority to finance the construction of the 2014 Project;

WHEREAS, the Authority intends to assist the County in financing the 2014 Project by issuing the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice) 2014 Series A and 2014 Series B (collectively, the “2014 Bonds”);

WHEREAS, the 2014 Series A Bonds will be payable from rental for the County Facility and the 2014 Series B Bonds will be payable from rental from the Court Facility;

WHEREAS, the County will lease to the Authority the Demised Premises on which the Facilities will be constructed pursuant to the Site Leases;

WHEREAS, the County will lease back the Facilities from the Authority pursuant to the terms of the Facility Leases;



WHEREAS, the Authority has authorized the issuance of the Bonds, in an aggregate principal amount of \_\_\_\_\_ dollars (\$[par amount]) to assist in financing a portion of the 2014 Project;

WHEREAS, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the 2014 Project, from which significant public benefit will be achieved, the Bonds shall be issued pursuant to Article 4 of the Act;

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

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

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

## ARTICLE I

### DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this [Section] shall for all purposes hereof and of any Supplemental Indenture and of any certificate, opinion, request or other document herein or therein mentioned have the meanings specified in Appendix A attached hereto and by this reference incorporated herein, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facility Lease.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and

final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

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

## ARTICLE II

### THE BONDS

#### SECTION 2.01 [Authorization of Bonds](#).

Bonds may be issued hereunder from time to time in order to obtain moneys to carry out the purposes of the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited but is subject to the provisions of Article III. The Bonds are designated generally as “Alameda County Joint Powers Authority Lease Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained. Series of Bonds may be payable from and secured separately by property leased under certain site leases and facility leases pertaining to the project financed or refinanced with the proceeds of such Series of Bonds as specified in the Supplemental Indenture relating thereto.

#### SECTION 2.02 [Terms of the Bonds](#).

The Bonds of each Series shall be dated such date, shall be issued in such denominations, shall bear interest at such rate or rates determined in such manner and payable at such intervals and shall mature and become payable on such date or dates and in such year or years, and may be subject to redemption, tender and purchase on such terms, as may be determined by the County at the time of issuance thereof, all as shall be set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Unless otherwise provided in the Supplemental Indenture delivered in connection with such Series of Bonds, the Bonds of each Series shall be initially registered in the name of “Cede & Co.,” as nominee of DTC and shall be evidenced by one or more bond certificates for each Series of Bonds in the total aggregate principal amount of the Bonds of such Series.

Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.08 hereof, or in the event the use of DTC is discontinued, in accordance with the provisions set forth in Section 2.04 hereof.

The principal or redemption price of a Series of Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee or at such other location as shall be specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds. Payment of the interest on any Bond shall be made to the person whose name appears on the bond registration books of the Trustee as the Holder thereof as of the Record Date preceding each Interest Payment Date, such interest to be paid by check mailed by first class mail on the applicable Interest Payment Date to the Holder at his address as it appears on such registration books; provided that such interest shall be paid by wire transfer to an account in the United States for any Holder of at least \$1,000,000 in aggregate principal amount of Bonds of any Series if the Holder makes a written request to the Trustee on or prior to the close of business on the Record Date preceding such Interest Payment Date specifying the account address.

Any such interest not so punctually paid or duly provided for with respect to any Bond shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof to be given to the Holders of such Bonds as set forth in the Supplemental Indenture establishing the terms and provisions of such Bonds or, if not provided therein, notice whereof to be given to the Holders of such Bonds not less than ten (10) days prior to such special record date.

SECTION 2.03      [Execution of Bonds](#). The President of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

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

SECTION 2.04      [Transfer and Payment of Bonds](#). (a) Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.06 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall

authenticate and deliver to the transferee a new Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

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

The Trustee shall not be required to register the transfer of or exchange any Bonds which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.03 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.05 [Exchange of Bonds](#). Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.03 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.06 [Bond Registration Books](#). The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority upon reasonable notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.07 [Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds](#). If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

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

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

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

SECTION 2.08      [Special Covenants as to Book-Entry Only System for Bonds.](#)

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.08, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of the Bonds of such maturity. Upon initial issuance, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.06 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section 2.08, securities

brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section 2.08.

(c) In the event that the Authority determines that the Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.08. DTC may determine to discontinue providing its services with respect to the Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.08. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 2.08 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section 2.08, and thereafter, all references in this Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

(e) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.08, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.04 and 2.05. In the event Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.04 and 2.05 shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

### ARTICLE III

#### ISSUANCE OF BONDS

SECTION 3.01 General Provisions for Issuance of Bonds. The Authority may at any time by Supplemental Indenture establish one or more Series of Bonds, payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein. The Bonds shall be executed by the Authority for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the purchasers thereof upon written order of the Authority [with the consent of the County], but only upon receipt by the Trustee of the following:

- (a) An original executed copy of the Supplemental Indenture authorizing such Bonds, which Supplemental Indenture shall specify:
  - (i) the purpose for which such Series of Bonds is being issued;
  - (ii) whether such Bonds shall bear interest at a fixed or variable rate, and, if variable, the method of determining such rate;
  - (iii) whether the interest on such Bonds shall be federally taxable or tax-exempt;
  - (iv) the Series of such Bonds, the date or dates, the Interest Payment Dates, the principal payment dates and the maturity date or dates of such Bonds;
  - (v) the manner of dating and numbering such Bonds;
  - (vi) the place or places of payment of the principal or redemption, tender or purchase price, and the manner of payment of interest on, such Bonds;
  - (vii) any redemption, tender or purchase provisions for such Bonds;
  - (viii) the amount and due date of each Mandatory Sinking Fund Payment, if any, for such Bonds;

(ix) the amounts to be deposited in the funds and accounts created and established by this Indenture and the Supplemental Indenture authorizing such Bonds;

(x) any other provisions deemed advisable by the Authority that are not in conflict with the provisions hereof;

(b) An opinion of Bond Counsel, dated the date of delivery thereof, to the effect that: (i) such Supplemental Indenture is a valid and binding obligation of the Authority and (ii) upon the execution, authentication and delivery thereof, such Bonds will be valid and binding obligations of the Authority;

(c) A Written Order of the Authority as to the delivery of such Bonds; and

(d) A Certificate of the Authority stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture.

(e) Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

SECTION 3.02 [Conditions for the Issuance of Additional Bonds](#). Following the issuance of the 2014 Bonds, the Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture, payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein equal to the pledge, charge and lien securing the Outstanding Bonds theretofore issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) The Supplemental Indenture shall require that the proceeds of the sale of such Additional Bonds shall be applied to the acquisition (by purchase or lease) or construction of facilities to be added to the Facilities or for the refunding of Outstanding Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture.

(d) The Facility Lease or Facility Leases shall have been amended, if necessary, and duly recorded in the official records of the County Recorder of the County, so that the Base Rental Payments payable by the County thereunder in each Fiscal Year shall at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year.

(e) The Facility Lease shall have been amended and duly recorded in the official records of the County Recorder of the County, so as to lease to the County the project



being financed from the proceeds of such Additional Bonds or facilities of comparable worth and economic life.

(f) If the proceeds of such Additional Bonds are to be used, in whole or in part, to finance construction on real property not described in the Facility Lease or the additional Facilities to be leased are not situated on property described in the Facility Lease, (1) the Site Lease shall have been amended so as to lease to the Authority such additional real property; and (2) the Facility Lease shall have been amended so as to lease to the County such additional real property.

(g) If the additional Facilities to be leased are to be constructed, the Trustee shall be paid an amount of capitalized interest on the Additional Bonds for the estimated period of construction and six months thereafter.

(h) The Supplemental Indenture shall provide, if necessary, that from such proceeds or other sources an amount shall be deposited in the Reserve Fund so that following such deposit there shall be on deposit in the Reserve Fund an amount at least equal to the Reserve Fund Requirement.

SECTION 3.03 [Proceedings for Authorization of Additional Bonds](#). Whenever the Authority shall determine to execute and deliver any Additional Bonds pursuant to Section 3.02, the Authority and the Trustee shall enter into a Supplemental Indenture providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Indenture shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 3.02, shall provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates (or method of determining the rates, if variable), interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds shall be issued, the the Authority shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel setting forth that (1) such Counsel has examined the Supplemental Indenture and the amendment to the Facility Lease and the Site Lease required by Section 3.02(d), (e), and (f); (2) the execution and delivery of the Additional Bonds have been sufficiently and duly authorized by the Authority; (3) said amendment to the Facility Lease and the Site Lease if any, when duly executed by the County and the Authority, will be valid and binding obligations of the County and the Authority; and (4) all the conditions to the issuance of the Additional Bonds set forth in this Indenture have been satisfied.

(b) A Certificate of the Authority stating that the requirements of Section 3.02 have been met.

(c) A certified copy of a resolution or ordinance of the County authorizing the execution of the amendments to the Facility Lease required by Section 3.02(d), (e), and (f).

(d) An executed counterpart or duly authenticated copy of any amendment to the Facility Lease required by Section 3.02(d), (e), and (f) that has been duly recorded in the official records of the County Recorder of the County.

(e) A Certificate of the County stating that the insurance required by Sections 5.01, 5.02 and 5.03 of the Facility Lease relating to such Series of Bonds is in effect.

(f) If the proceeds of such Additional Bonds are to be used, in whole or in part, to finance construction or acquire facilities on real property not then described in the Facility Lease, an executed counterpart or duly authenticated copy of the Site Lease required by Section 3.02(f) that has been duly recorded in the official records of the County Recorder of the County.

(g) A title insurance policy insuring the Authority's leasehold or fee title in the real property on which the Facilities are located, and, if the proceeds of such Additional Bonds are to be used to finance construction on real property not then described in the Facility Lease, a title insurance policy insuring the Authority's leasehold or fee title in such real property, such title insurance policy to be in an amount at least equal to the aggregate amount of outstanding Bonds (including Additional Bonds to be issued) or, at the option of the Authority, an opinion of counsel or Certificate of the County or such other evidence of the Authority's or County's leasehold or fee interest in such real property as shall be acceptable to the Authority.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the County and of the Authority stating that all applicable provisions of this Indenture have been complied with (so as to permit the issuance of the Additional Bonds in accordance with the Supplemental Indenture then delivered to the Trustee), the Trustee shall authenticate and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Indenture to, or upon the Written Request of, the Authority.

SECTION 3.04 [Limitations on the Issuance of Obligations Payable From Revenues](#). The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues except the following:

(a) Bonds of any Series authorized in accordance with the provisions of Section 3.03;

(b) Obligations which are junior and subordinate to the payment of the principal, premium, interest and reserve fund requirements for the Bonds and which subordinated obligations are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Revenues after the prior payment of all amounts then required to be paid hereunder from Revenues for principal, premium, interest and reserve fund requirements for the Bonds, as the same become due and payable and at the times and in the manner as required in this Indenture.

## ARTICLE IV

### REDEMPTION OF BONDS

SECTION 4.01 Terms of Redemption. Each Series of Bonds may be made subject to mandatory or optional redemption prior to their respective stated maturities, as a whole or in part, on such date or dates, upon such terms and conditions, upon such notice and at such redemption prices and with such effect as may be provided in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

SECTION 4.02 Extraordinary Redemption. The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02(a) of the Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

SECTION 4.03 Selection of Bonds for Redemption. The Authority shall designate which maturities of Bonds and the principal amount of Bonds which are to be redeemed (other than Bonds subject to mandatory sinking fund redemption). If less than all Outstanding Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such selection, Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

SECTION 4.04 Notice of Redemption; Cancellation; Effect of Redemption. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof, together with interest accrued thereon to the

redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

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

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

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

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

## ARTICLE V

### REVENUES

#### SECTION 5.01 Pledge of Revenues.

(a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.03) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are hereby irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds as provided herein, and the Revenues and other amounts pledged hereunder shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the

Rebate Fund created pursuant to Section 6.03) for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof.

(b) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facility Lease, the Trustee shall notify the County of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the County's obligation to make timely payments of installments of Base Rental Payments.

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

SECTION 5.03 [Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund; Reserve Fund](#)

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

- (1) Interest Account, and
- (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section. On each Principal Payment Date, following payment of principal of and interest on the Bonds, any excess amount on deposit in the Revenue Fund shall be transferred to the Reserve Fund to the extent necessary to increase the amount therein to the Reserve Fund Requirement and, unless otherwise specified in a Supplemental Indenture, any excess shall be returned to the County as an excess payment of Base Rental Payments.

(b) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date, until the balance in said account is equal to said aggregate amount of interest (taking into account transfers from any Capitalized Interest Account prior to any other deposits from Reserves).

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

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

With respect to each Series of Bonds for which a portion of the proceeds of the sale thereof are required to be set aside to pay interest on such Bonds, the Trustee, if so instructed by the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds, shall establish and maintain a separate account within the Interest Account, designated as the “Series \_\_\_\_ Capitalized Interest Account,” inserting therein the Series designation of such Bonds. Moneys in a Capitalized Interest Account shall be transferred by the Trustee and deposited in the Interest Account in the amounts and at the times specified in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(c) Principal Account. On or before each June 1, commencing \_\_\_\_\_ 1, 201\_, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such June 1 into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such June 1. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

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

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each Series and maturity, designated as the “\_\_\_\_ Sinking Account” (the “Sinking Account”), inserting therein the Series and maturity (if more than one such account is established for such Series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series and

maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article IV.

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

(d) Reserve Fund. The Trustee shall establish and hold in trust hereunder a separate fund titled the "Reserve Fund." All money in the Reserve Fund shall be deposited with, used and withdrawn by the Trustee solely for the purpose of funding the Interest Account or the Principal Account, in that order, in the event of any deficiency in either of such accounts on a Principal Payment Date or Interest Payment Date, except that so long as the Authority is not in default hereunder, any cash amounts in the Reserve Fund in excess of the Reserve Fund Requirement shall be withdrawn from the Reserve Fund and deposited by the Trustee for deposit to the Revenue Fund on each Interest Payment Date, following the payment of any amounts due on such date. Pursuant to the Supplemental Indenture, accounts may be established in the Reserve Fund providing for separate reserves for separate Series of Bonds. The Reserve Fund Requirement shall only be calculated upon the issuance of a Series of Bonds or the retirement of a Series of Bonds.

In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The County, as agent of the Authority, shall file a Certificate of the County with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the Authority or the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the County, as agent for the Authority under the Facility Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the County, stating that the County has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.01. Alternatively, the Authority with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for such purpose (including allocable portions of the Reserve Fund) are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial

damage or destruction of the Facilities, of the Base Rental Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Section 4.02. The Authority shall not apply the proceeds of insurance as set forth in this Section 5.03 to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.04      Project FundThe Trustee shall establish and maintain and hold in Trust a separate fund titled the "Project Fund." Each Supplemental Indenture pursuant to which one or more Series of Bonds is issued to finance construction of one or more projects shall establish a separate account within the Project Fund for the purpose of holding the funds for the construction of such additional projects. Funds deposited into such accounts shall be used for and applied pursuant to the terms of the Supplemental Indenture by which such account is created.

SECTION 5.06      Deposit and Investments of Money in Accounts and Funds. Subject to Section 6.03, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the Authority or, if no instructions are received, in money market funds described in clause (3) of the definition of Permitted Investments. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder; provided, however, that moneys in the Reserve Fund shall be invested in Permitted Investments with a term to maturity not exceeding five (5) years. For purposes of this restriction, Permitted Investments containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Unless otherwise instructed by the Authority, all interest or profits received on any money so invested shall be deposited first in the Reserve Fund, to the extent necessary to make amounts on deposit in the Reserve Fund equal to the Reserve Fund Requirement, and then in the Revenue Fund; provided that, with respect to the Project Fund, earnings on amounts in such fund shall be credited to such fund until completion of the respective Projects. The Trustee shall value Permitted Investments held in the Reserve Fund no later than June 1 in each year; provided that for purposes of this Section the value of any such Permitted Investment shall be an amount equal to the lesser of the cost or the fair market value of such Permitted Investment. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Indenture.

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

Subject to Section 6.03, investments in any and all funds and accounts except for the Rebate Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all



times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Indenture.

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

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

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

SECTION 6.02 Against Encumbrances. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 5.01, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.03.

SECTION 6.03 Rebate Fund.

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

(b) Any funds remaining in the Rebate Fund with respect to a Series of Bonds after redemption and payment of all such Series of Bonds and all other amounts due hereunder or under the Facility Lease relating to such Series of Bonds, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the

Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the Written Request of the Authority.

SECTION 6.04 [Tax Covenants.](#)

(a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

(d) The foregoing provisions of this Section 6.04 shall not be applicable to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

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

SECTION 6.06 [Prosecution and Defense of Suits.](#) The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit,

action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 6.07 [Further Assurances](#). Whenever and so often as reasonably requested to do so by the Trustee or any Bondholder, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

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

SECTION 6.09 [Amendments to Facility Lease and Site Lease](#).

(a) The Authority shall not supplement, amend, modify or terminate any of the terms of any Facility Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of substitution of real property pursuant to Section 2.04 of the Facility Lease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any substitution in accordance with Section 2.04 of the Facility Lease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.04 of the Facility Lease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the

County pursuant to the Facility Lease to an amount less than the scheduled principal and interest payment on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Indenture on the Base Rental Payments (except as expressly provided in the Facility Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.

(b) The Authority shall not supplement, amend, modify or terminate any of the terms of any Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.04 of the Facility Lease, or (e) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination.

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

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

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

SECTION 6.11 [Compliance with Continuing Disclosure Agreement](#). Pursuant to Section 8.08 of the Facility Lease, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Bonds or any other person with respect to S.E.C. Rule 15c2-12. The County has agreed that so long as it shall act as the Dissemination Agent under the Continuing Disclosure Agreement, it will perform all of the provisions thereof to be performed by the Dissemination Agent. Notwithstanding any other provision of this Indenture, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under Section 8.08 of the Facility Lease or under this Section 6.11. For purposes of this Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).”

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 [Events of Default and Acceleration of Maturities](#). If one or more of the following events (herein called “events of default”) shall happen, that is to say:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the Authority in the due and punctual payment of the principal or premium, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for mandatory redemption;

(c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such default shall have continued for a period of sixty (60) days or (or if the Authority notifies the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an event of default if the Authority commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time);

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any

state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under Section 6.01 of the Facility Lease;

then and in each and every such case during the continuance of such event of default the Trustee, upon the written request of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Bondholders by first class mail of any such event of default which is continuing of which a Responsible Officer has actual knowledge or written notice.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Authority shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration and premium, if any, with interest at the rate borne by such Bonds on such overdue interest and principal and premium, if any, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee or the Bondholders of not less than a majority in aggregate principal amount of Bonds then Outstanding, by written notice to the Authority and to the Trustee, may on behalf of the Bondholders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02 [Application of Funds Upon Acceleration](#). All moneys in the accounts and funds provided in Sections 5.02, 5.03 and 5.04 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 [and any other moneys then held or thereafter received by the Trustee under any of the provisions of this Indenture] and all Revenues (other than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

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

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

SECTION 7.03 Institution of Legal Proceedings by Trustee. If one or more of the events of default shall happen and be continuing, the Trustee may, and upon the written request of the Bondholders of a majority in principal amount of the Bonds then Outstanding, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Indenture and under [Article VI] of the Facility Leases by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

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

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

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

SECTION 7.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such

remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.06 [Limitation on Bondholders' Right to Sue](#). No Bondholder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Indenture, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01; (b) the Bondholders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

## ARTICLE VIII

### THE TRUSTEE

SECTION 8.01 [The Trustee](#). [Trustee] shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a corporate trust office in California.

The Authority, unless there exists any Event of Default as defined in Section 7.01, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least five-hundred million dollars (\$500,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital



and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds and a certificate of destruction shall be delivered to the Authority upon its request. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

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

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

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

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

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of not less than a

majority (or any lesser amount that may direct the Trustee in accordance with this Agreement) in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

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

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

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

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

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

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

arising from the Facility Lease or this Indenture for the existence, furnishing or use of the Facilities or the Project.

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

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

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee is not responsible for the content of any official statement or any other offering or disclosure material prepared in connection with the Bonds.

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

## ARTICLE IX

### AMENDMENT OF THE INDENTURE

#### SECTION 9.01 Amendment of the Indenture.

(a) This Indenture and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02, are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity or Series remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the County without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Indenture to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Indenture which shall become binding upon adoption but without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the

procedure set forth in Article III (which shall be deemed not to adversely affect Bondholders); or

(iv) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Indenture under the Trust Indenture Act of 1939.

SECTION 9.02 [Disqualified Bonds](#). Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

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

SECTION 9.04 [Amendment by Mutual Consent](#). The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

## ARTICLE X

### DEFEASANCE

SECTION 10.01 [Discharge of Bonds](#).

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all or any portion of the Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facility Lease, then the Bondholders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due hereunder and under the Facility Lease.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 4.04, (2) there shall have been deposited with the Trustee (A) cash in an amount which shall be sufficient and/or (B) noncallable Government Securities, the interest on and principal of which when paid will provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

(c) In the event of an advance refunding (i) the Authority shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date or redemption date (“Verification”) (which Verification shall verify the mathematical accuracy of the computations relating to the adequacy of cash plus Government Securities to be held in escrow to pay debt service requirements (principal, interest and redemption price, including premium, to the applicable redemption or maturity dates) when due on the Bonds to be refunded), (ii) the escrow agreement shall provide that no (A) substitution of a Government Security shall be permitted except with another Government Security and upon delivery of a new Verification and (B) reinvestment of a Government Security shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an Opinion of Bond Counsel to the effect that the Bonds are no longer “Outstanding” under the Indenture; each Verification and opinion shall be addressed to the Authority and the Trustee.

SECTION 10.02 [Unclaimed Money](#). Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds.

## ARTICLE XI

### MISCELLANEOUS

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

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

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

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

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

duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

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

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

SECTION 11.06 [Destruction of Cancelled Bonds](#). Whenever provision is made for the return to the Authority of any Bonds which have been cancelled pursuant to the provisions hereof, the Authority may, by a Written Request of the Authority, direct the Trustee to destroy such Bonds and furnish to the Authority a certificate of such destruction.

SECTION 11.07 [Content of Certificates](#). Every Certificate of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision 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 contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Authority, upon a representation by an officer or officers of the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 11.08 [Accounts and Funds](#). Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be



treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 11.09 [Business Day](#). When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 11.10 [Notices; Notices to Rating Agencies](#). All written notices to be given hereunder shall be given by mail to the party entitled thereto at the addresses set forth below, or at such other addresses as such parties may provide to the other party in writing from time to time, namely:

If to the County or the Authority: County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612  
Attention: County Administrator  
Telephone: [(510) 272-6984]  
Fax: [(510) 272-3784]

If to the Trustee: [Trustee]  
\_\_\_\_\_  
\_\_\_\_\_  
Attention:  
Telephone:  
Fax:

The Trustee shall give written notice to Moody's and S&P of the redemption or defeasance of any Bonds, the amendment of the Facility Lease or Indenture, any change in the Trustee in accordance herewith.

SECTION 11.11 [Article and Section Headings and References](#). The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.12 [Partial Invalidity](#). If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security

afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.13 Governing Law. This Indenture shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 11.14 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the ALAMEDA COUNTY JOINT POWERS AUTHORITY has caused this Indenture to be signed in its name by its [Title], and [TRUSTEE], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By: \_\_\_\_\_  
[Title]

[TRUSTEE], as Trustee

By: \_\_\_\_\_  
Authorized Officer

**APPENDIX A**

**DEFINITIONS**

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[FIRST/SECOND] SUPPLEMENTAL INDENTURE

by and between the

ALAMEDA COUNTY JOINT POWERS AUTHORITY

and

[TRUSTEE]  
as Trustee

Dated as of \_\_\_\_\_ 1, 2014

[\$par amount]

Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice),  
2014 Series [A/B]

(Supplementing the Indenture  
dated as of \_\_\_\_\_ 1, 2014)

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THIS [FIRST/SECOND] SUPPLEMENTAL INDENTURE dated as of \_\_\_\_\_ 1, 2014 (the “[First/Second] Supplemental Indenture”), by and between the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the “Authority”), a joint exercise of powers authority duly organized and existing pursuant to a Joint Exercise of Powers Agreement by and between the County of Alameda (the “County”) and the Surplus Property Authority of the County of Alameda, and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”), being supplemental to a Indenture, dated as of \_\_\_\_\_ 1, 2014 (as further supplemented from time to time, the “Indenture”) (capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in Appendix A);

W I T N E S S E T H:

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

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

WHEREAS, the Authority has heretofore authorized the issuance of its Lease Revenue Bonds (East County Hall of Justice) in one or more series pursuant to the Indenture;

WHEREAS, the Indenture provides that the Authority may from time to time establish series of Bonds by supplemental indenture, and that the Authority may issue and the Trustee may authenticate and deliver Bonds of any such series in such principal amount as shall be determined by the Authority, upon compliance with the provisions, and subject to the conditions, set forth in the Indenture;

WHEREAS, the County following a public hearing duly noticed and held, has determined that the financing of the 2014 Project by the issuance of the Bonds will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to Article 4 of the Act to cause the financing of the 2014 Project (as hereinafter defined) through the issuance of its bonds;

WHEREAS, the County has determined to finance the construction of the Alameda East County Hall of Justice as set forth in Exhibit C to the Facility Lease (as amended from time to time, the “2014 Project”);

WHEREAS, the Authority intends to assist the County in financing the 2014 Project by issuing the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B] (the “[County/Courthouse] Bonds”);

WHEREAS, the County has agreed, pursuant to the terms of the Facility Lease, dated as of \_\_\_\_\_ 1, 2014 (the "Facility Lease"), by and between the Authority and the County, to pay base rental payments in fixed amounts that correspond to debt service on the [County/Courthouse] Bonds;

WHEREAS, the Authority has authorized the issuance of the [County/Courthouse] Bonds, in an aggregate principal amount not to exceed \_\_\_\_\_ dollars (\$\_\_\_\_\_) to assist in financing the 2014 Project;

WHEREAS, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the 2014 Project, from which significant public benefit will be achieved, the [County/Courthouse] Bonds shall be issued pursuant to Article 4 of the Act;

WHEREAS, to provide for the authentication and delivery of the [County/Courthouse] Bonds, to establish and declare the terms and conditions upon which the [County/Courthouse] Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this [First/Second] Supplemental Indenture; and

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

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



## ARTICLE XII

### DEFINITIONS

SECTION 12.01 Definitions. Unless the context otherwise requires, the capitalized terms used for all purposes of this [First/Second] Supplemental Indenture and of any amendment hereof or supplement hereto and of any certificate, opinion, request or other document herein or therein mentioned shall have the meanings specified in Appendix A attached to the Master Indenture and by this reference incorporated herein.

## ARTICLE XIII

### TERMS AND CONDITIONS OF THE [COUNTY/COURTHOUSE] BONDS

SECTION 13.01 Authorization of [County/Courthouse] Bonds.

(a) An [initial/second] Series of Bonds is hereby created, designated “Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B].” The aggregate principal amount of [County/Courthouse] Bonds which may be issued and Outstanding under the Indenture shall not exceed \_\_\_\_\_ dollars (\$[par amount]).

(b) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the [County/Courthouse] Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the [County/Courthouse] Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the [County/Courthouse] Bonds in the form and manner provided herein for the purpose of providing funds to finance the 2014 Project, and that the [County/Courthouse] Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(c) The validity of the issuance of the [County/Courthouse] Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of the 2014 Project or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the [County/Courthouse] Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all [County/Courthouse] Bonds shall be incontestable from and after their issuance. The [County/Courthouse] Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive [County/Courthouse] Bonds (or any temporary [County/Courthouse] Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

SECTION 13.02 Terms of the [County/Courthouse] Bonds.

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

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
----------------------	-------------------------	----------------------

The [County/Courthouse] Bonds shall bear interest at the rates set forth above, payable commencing \_\_\_\_\_ 1, 2014 and semiannually thereafter on [June] 1 and [December] 1 in each year (each, an "Interest Payment Date"). The [County/Courthouse] Bonds shall pay interest to the Owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after the Record Date for an Interest Payment Date, in which event they shall pay interest from such Interest Payment Date, or unless such date of authentication is on or prior to the Record Date for the first Interest Payment Date, in which event they shall pay interest from their date of issuance. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(b) Payment of interest on the [County/Courthouse] Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the [County/Courthouse] Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to Section 2.07; provided, however, that interest on any [County/Courthouse] Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Owner of at least \$1,000,000 in aggregate principal amount of such [County/Courthouse] Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file as of the applicable Record Date preceding the Interest Payment Date.

(c) Interest on any [County/Courthouse] Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such [County/Courthouse] Bond shall no longer be Outstanding and entitled to the benefits of this Indenture, except for the payment of the principal amount or Redemption Price, of such [County/Courthouse] Bond, as appropriate, from moneys held by the Trustee for such payment.

(d) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is surrendered to the Trustee for cancellation.

(e) The Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal, and premium by the CUSIP number of the related [County/Courthouse] Bonds.

SECTION 13.03 [Form of \[County/Courthouse\] Bonds.](#) The [County/Courthouse] Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth in [Exhibit A](#) attached hereto and by this reference is herein incorporated.

SECTION 13.04 [Execution of \[County/Courthouse\] Bonds.](#) The President of the Authority is hereby authorized and directed to execute each of the [County/Courthouse] Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the [County/Courthouse] Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the [County/Courthouse] Bonds shall cease to be such officer before the delivery of the [County/Courthouse] Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the [County/Courthouse] Bonds.

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

SECTION 13.05 [Transfer and Payment of \[County/Courthouse\] Bonds.](#) Any [County/Courthouse] Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.07.

The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any [County/Courthouse] Bond as the absolute owner of such

[County/Courthouse] Bond for the purpose of receiving payment thereof and for all other purposes, whether such [County/Courthouse] Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such [County/Courthouse] Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such [County/Courthouse] Bond to the extent of the sum or sums so paid.

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

SECTION 13.06      Exchange of [County/Courthouse] Bonds. [County/Courthouse] Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of [County/Courthouse] Bonds of the same Series and maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any [County/Courthouse] Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such [County/Courthouse] Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of [County/Courthouse] Bonds for redemption.

## ARTICLE XIV

### PROCEEDS OF [COUNTY/COURTHOUSE] BONDS

SECTION 14.01      Procedure for the Issuance of [County/Courthouse] Bonds. At any time after the sale of the [County/Courthouse] Bonds in accordance with the Act, the Authority shall execute the [County/Courthouse] Bonds for issuance hereunder and shall deliver them, , to the Trustee, and thereupon the [County/Courthouse] Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the [County/Courthouse] Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, transfer or deposit the proceeds received from such sale and such deposit along with additional amounts as set forth below, to the following respective parties or to the following respective accounts or funds, in the following order of priority:

- (i)            deposit the sum of \$\_\_\_\_\_ to the 2014 Series [A/B] Costs of Issuance Fund, which fund is hereby created and which account the Trustee hereby covenants and agrees to maintain. All money in the 2014 Series [A/B] Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the [County/Courthouse] Bonds upon receipt of a Written Request of the Authority, in substantially the form attached hereto as Exhibit C,

filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. On \_\_\_\_\_ 1, 201\_, or upon the earlier Written Request of the Authority, any remaining balance in the 2014 Series [A/B] Costs of Issuance Fund shall be transferred to the 2014 Series [A/B] Project Account within the Project Fund and the 2014 Series [A/B] Costs of Issuance Fund shall be closed;

(ii) deposit the sum of \$\_\_\_\_\_ in the 2014 Series [A/B] Capitalized Interest Account of the Interest Account;

(iii) [deposit the amount of \$\_\_\_\_\_ in the 2014 Series [A/B] Account in the Reserve Fund];

(iv) Deposit the amount of \$\_\_\_\_\_ in the 2014 Series [A/B] Account in the Project Fund;

(v) [deposit \$\_\_\_\_\_ of Courthouse Construction Funds received from the County into the Courthouse Construction Account in the Project Fund][Note LPA has these moneys going into the Courthouse Construction Funds Account];

(vi) [deposit \$\_\_\_\_\_ of SB 1407 Funds received [from the County] into the 2014 Series B Account in the Project Fund]; and

(vii) [deposit \$\_\_\_\_\_ of Civil Assessments into the 2014 Series B Account in the Project Fund].

SECTION 14.02 [Project Fund](#). The moneys in the Series 2014 Project Account shall be disbursed by the Trustee.

Before any payment is made from the Project Fund, there shall be filed with the Trustee a Written Request of the Authority showing with respect to each payment to be made:

- (i) the item number of the payment;
- (ii) the name and address of the person to whom payment is due;
- (iii) the amount to be paid; and
- (iv) the purpose for which the obligation to be paid was incurred.

Each such Written Request shall be sufficient evidence to the Trustee and shall state:

- (a) that obligations in the stated amounts have been incurred by the Authority, and that each item thereof is a proper charge against the 2014 Series [A/B] Project Account and has not been the subject of a prior requisition; and

(b) that there has not been filed with or served upon the Authority or County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Request, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

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

All interest earnings on amounts on deposit in the Project Fund shall be deposited therein. Upon the completion of the 2014 Project, any amounts remaining in the 2014 Series B Project Account shall be [deposited in the Turbo Redemption Fund].

SECTION 14.03 [Capitalized Interest Account](#). The Trustee shall establish and maintain a separate subaccount in the Interest Account to be known as the "2014 Series [A/B] Capitalized Interest Account" for the purposes set forth below. The Trustee shall transfer moneys from the 2014 Series [A/B] Capitalized Interest Account in the amounts necessary to pay the interest due and payable on the [County/Courthouse] Bonds on each Interest Payment Date to the Series 2014 [A/B] Interest Subaccount on December \_\_, 2014, and thereafter until depleted.

Any surplus moneys in the Capitalized Interest Account may be transferred by the Trustee to the Project Fund upon the Written Request of the Authority and an approving Opinion of Bond Counsel and, if necessary, a new schedule of transfers from the Capitalized Interest Account to the Interest Account shall be included therewith.

## ARTICLE XV SERIES 2014 B ACCOUNTS

SECTION 15.01 [Series 2014 B Interest Subaccount](#). There is hereby created and the Trustee hereby covenants and agrees to cause to be maintained the Series 2014 B Interest Subaccount within the Interest Account of the Revenue Fund. All money in the Series 2014 B Interest Subaccount shall be held in trust by the Trustee and shall be applied, used and withdrawn solely for the purpose of paying the interest on the Series 2014 B Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 15.02 [Series 2014 B Principal Subaccount](#). There is hereby created and the Trustee hereby covenants and agrees to cause to be maintained the Series 2014 B Principal Subaccount. All money in the Series 2014 B Interest Account shall be held in trust by the Trustee and shall be applied, used and withdrawn solely for the purpose of paying the principal or Redemption Price of the Series 2014 B Bonds as it shall become due and payable, whether at maturity or redemption.

SECTION 15.03 [\[Series 2014 B Sinking Account\]](#)

SECTION 15.04 [LPA Account.](#) The Trustee shall establish and maintain a separate account in the Revenue Fund to be known as the “LPA Account” for the purposes set forth in Section [15.\_\_\_\_] below. Until and including \_\_\_\_\_, 20\_\_\_\_, the [County] shall deposit with the Trustee when and as received civil assessments, and, thereafter, shall deposit LPA Payments therein. Amounts on deposit in the LPA Account shall be held in trust by the Trustee for the benefit of the Bondholders and shall be used only for deposit into the Interest Account, the Principal Account, the [Turbo Redemption Account] or the Reserve Fund for payment of debt service on the Series 2014 Bonds, as set forth in Section [15.\_\_\_\_] below.

SECTION 15.05 [Courthouse Construction Funds Account.](#) The Trustee shall establish and maintain a separate account in the Revenue Fund to be known as the Courthouse Construction Funds Account for the purposes set forth in Section [15.\_\_\_\_] below. The County has covenanted [to the Authority] to remit, on a quarterly basis, the Courthouse Construction Funds Amount to the Bond Trustee for deposit into the Courthouse Construction Funds Account. Amounts on deposit in the Courthouse Construction Funds Account shall be held in trust by the Trustee for the benefit of the Bondholders and shall be used only for deposit into the Interest Account, the Principal Account, [Turbo Redemption Account] or the Reserve Fund for payment of debt service on the Series 2014 Bonds, as set forth in Section [15.\_\_\_\_] below.

SECTION 15.06 [Turbo Redemption Account.](#) The Trustee shall establish and maintain a separate account in the Revenue Fund to be known as the Turbo Redemption Account to be used only for the payment of interest on and principal or redemption or purchase price of the Series 2014 B Bonds as it shall become due and payable (including interest accrued on any Series 2014 B Bonds purchased or redeemed prior to maturity) including upon optional redemption prior to maturity. Five days after each Principal Payment Date, the Trustee shall transfer all funds on deposit in the LPA Account and the Courthouse Construction Funds Account to the Turbo Redemption Account. Five days after the next succeeding Interest Payment Date, unless the Trustee has received written instructions from the Authority to the contrary, the Trustee shall use the funds on deposit in the Turbo Redemption Account to optionally redeem Series 2014 B Bonds on the next available date that Series 2014 B Bonds are subject to optional redemption. The Series 2014 B Bonds optionally redeemed with funds in the Turbo Redemption Account pursuant to this paragraph shall be chosen as set forth in Section [4.03] hereof.

SECTION 15.07 [Withdrawals from the LPA Account and the Courthouse Construction Funds Account; Turbo Redemption Account.](#)

(a) Forty-five days prior to each Interest Payment Date, the Trustee shall transfer from the LPA Account into the Series 2014 B Interest Subaccount that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Series 2014 B Bonds on such Interest Payment Date, less any amounts to be transferred to the Interest Account from any the Series 2014 B Capitalized Interest Account for the payment of such interest (the “2014B Interest Payment Amount”) and any amounts already on deposit in the Series 2014 B Interest Subaccount, until the balance in the Series 2014 B Interest Subaccount is equal to the 2014B Interest Payment Amount. Should amounts on deposit in the LPA Account be insufficient to bring the balance of the Series 2014 B Interest Subaccount to the 2014B Interest

Payment Amount, the Trustee shall transfer the remaining necessary moneys from the Courthouse Construction Funds Account to the Series 2014 B Interest Subaccount. Such transfers from the LPA Account and the Courthouse Construction Funds Account shall be credited against the semi-annual payments of Base Rental under the Facilities Lease due pursuant to Section 3.01 thereof.

(b) Forty-five days prior to each Principal Payment Date, and after making the transfers set forth in the prior subsection (a), the Trustee shall transfer from the LPA Account into the Series 2014 B Principal Subaccount that amount of money which is equal to the amount of principal becoming due and payable on all Outstanding Series 2014 B Bonds on such Principal Payment Date (the “2014B Principal Payment Amount”) less amounts already deposit in the Series 2014 B Principal Subaccount, until the balance in the Series 2014 B Principal Subaccount is equal to the 2014B Principal Payment Amount. Should amounts on deposit in the LPA Account be insufficient to bring the balance of the Series 2014 B Principal Subaccount to the 2014B Principal Payment Amount, the Trustee shall transfer the remaining necessary moneys from the Courthouse Construction Funds Account to the Series 2014 B Principal Subaccount. Such transfers from the LPA Account and the Courthouse Construction Funds Account shall be credited against the semi-annual payments of Base Rental under the Facilities Lease due pursuant to Section 3.01 thereof.

(c) Forty Five days prior to each Interest Payment Date, and after making the transfers set forth in the prior subsections (a) and (b) , should amounts on deposit in the Series 2014 B Interest Subaccount and the Series 2014 B Principal Subaccount be less than the Series 2014 B Interest Payment Amount and the Series 2014 B Principal Payment Amount respectively, the Trustee shall transfer any remaining moneys necessary to cure such deficiencies into the Series 2014 B Interest Subaccount and the Series 2014 B Principal Subaccount from the Turbo Redemption Account. Such transfers from the Turbo Redemption Account shall be credited against the semi-annual payments of Base Rent under the Facilities Lease due pursuant to Section 3.01 thereof.

SECTION 15.08 [County Invoicing](#). Should amounts on deposit in the Series 2014 B Interest Subaccount and the Series 2014 B Principal Subaccount be less than the Series 2014 B Interest Payment Amount and the Series 2014 B Principal Payment Amount respectively after the transfers described in Section 15.07 hereof, the Trustee shall invoice the County for the remaining necessary amounts, and the County shall remit such amounts to the Trustee at least 15 days prior to the next Interest Payment Date. Such amounts remitted by the County shall constitute the remaining portion (if any) of semi-annual payments of Base Rental under the Facilities lease due pursuant to Section 3.01 thereof.

## ARTICLE XVI

### [REDEMPTION OF \[COUNTY/COURTHOUSE\] BONDS](#)

#### SECTION 16.01 [Terms of Redemption of \[County/Courthouse\] Bonds](#).

(a) [Extraordinary Redemption](#). The [County/Courthouse] Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice



as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02(a) of the Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date..

(b) [Optional Redemption]. The [County/Courthouse] Bonds maturing on or prior to \_\_\_\_\_ 1, 20\_\_ are not subject to optional redemption. The [County/Courthouse] Bonds maturing on or after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after \_\_\_\_\_ 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the [County/Courthouse] Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.]

[Optional Redemption]. Each maturity of the [Courthouse] Bonds is subject to redemption prior to its stated maturity date at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after the first optional redemption date for such maturity set forth below and at a redemption price equal to such percentage of the principal amount of the [County/Courthouse] Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium, as set forth in the table below.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>First Optional Redemption Date</u>	<u>Redemption Price</u>

]

(c) Mandatory Sinking Fund Redemption. [The [County/Courthouse] Bonds are not subject to mandatory sinking fund redemption.][The 2014 Series [A/B] Term Bonds, upon notice as hereinafter provided, shall also be subject to mandatory sinking fund redemption prior to maturity, in part on \_\_\_\_\_ 1 of each year on the Mandatory Sinking Account Payment Dates specified in Section \_\_\_\_\_, by lot, from and in the amount of the mandatory sinking account payments set forth in Section \_\_\_\_\_ at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium.]

(d) Selection of Bonds for Redemption. If less than all Outstanding [County/Courthouse] Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the [County/Courthouse] Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the [County/Courthouse] Bonds so selected for redemption. For purposes of such selection, [County/Courthouse] Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event 2014 Series [A/B] Term Bonds are designated for redemption, [such redemption shall be allocated to annual mandatory sinking fund payments in inverse chronological order].

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

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

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

(f) Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the Redemption Price of the [County/Courthouse] Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice [County/Courthouse] Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such [County/Courthouse] Bonds shall cease to accrue, and the Bondholders of such

[County/Courthouse] Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

All [County/Courthouse] Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

## ARTICLE XVII

### COVENANTS OF THE AUTHORITY

SECTION 17.01 Tax Covenants. (a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause the [County/Courthouse] Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the [County/Courthouse] Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate is no longer required, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX of the Indenture, the covenants hereunder shall be deemed to be modified to that extent.

## ARTICLE XVIII

### MISCELLANEOUS

SECTION 18.01 Terms of [County/Courthouse] Bonds Subject to the Indenture. Except as in this [First/Second] Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this [First/Second] Supplemental Indenture and to the [County/Courthouse] Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this [First/Second] Supplemental Indenture.

This [First/Second] Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 18.02 [Effective Date of \[First/Second\] Supplemental Indenture.](#) This [First/Second] Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 18.03 [Execution in Several Counterparts.](#) This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the ALAMEDA COUNTY JOINT POWERS AUTHORITY has caused this Indenture to be signed in its name by its [Title], and [TRUSTEE], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By: \_\_\_\_\_  
[Title]

[TRUSTEE], as Trustee

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT A

[FORM OF [COUNTY/COURTHOUSE] BOND]

No. \_\_\_\_\_

\$ \_\_\_\_\_

ALAMEDA COUNTY JOINT POWERS AUTHORITY  
LEASE REVENUE BONDS  
(EAST COUNTY HALL OF JUSTICE),  
2014 SERIES [A/B]

NONE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE STATE OF CALIFORNIA, NOR THE COUNTY OF ALAMEDA IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF CALIFORNIA, OR THE COUNTY OF ALAMEDA OR THE SURPLUS PROPERTY AUTHORITY FOR THE COUNTY OF ALAMEDA, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	_____	_____, 2014	_____

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The ALAMEDA COUNTY JOINT POWERS AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum

from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the fifteenth calendar day of the month preceding an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_, 20\_\_, in which event it shall bear interest from the Dated Date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee (defined hereinafter) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the Principal Office of the Trustee. Capitalized terms used herein and not otherwise defined herein have the meanings ascribed thereto in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Alameda County Joint Powers Authority Lease Revenue Bonds” (the “Bonds”) unlimited as to principal amount and is one of a duly authorized series of such Bonds known as “(East County Hall of Justice), 2014 Series [A/B]” (the “[County/Courthouse] Bonds”) issued in an aggregate principal amount of \_\_\_\_\_ dollars (\$[par amount]), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a Indenture, dated as of \_\_\_\_\_ 1, 2014 (as amended from time to time, the “Indenture”), between the Authority and [Trustee], as trustee (together with any successor as trustee under the Indenture, the “Trustee”) (copies of the Indenture are on file at the corporate trust office of the Trustee).

The [County/Courthouse] Bonds are issued to provide funds to finance and refinance the acquisition, installation, implementation and construction of the Alameda East County Hall of Justice, and related costs and expenses, located in the County of Alameda (as more fully defined in the Indenture, the “Project”). The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Indenture and the revenues (as more fully defined in the Indenture, the “Revenues”) derived from Base Rental Payments and other payments made by the County of Alameda (the “County”), and all interest or other investment income thereon, pursuant to the Facility Lease, dated as of \_\_\_\_\_ 1, 2014 (as amended from time to time, the “Facility Lease”), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture by a pledge and assignment of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Indenture. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be

levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal (or premium, if any) of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the [County/Courthouse] Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Indenture. Reference is hereby made to the Act and to the Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Indenture (with or without consent of the registered owners of the Bonds); and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

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

If an Event of Default (as defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

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

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

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of



this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By \_\_\_\_\_  
President

[SEAL]

Countersigned:

\_\_\_\_\_  
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION  
TO APPEAR ON [COUNTY/COURTHOUSE] BONDS]

This is one of the Bonds described in the within-mentioned Indenture which has been registered and authenticated on \_\_\_\_\_, 2014.

[TRUSTEE], as Trustee

By \_\_\_\_\_  
Authorized Signatory

[DTC LEGEND]

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

[FORM OF ASSIGNMENT TO  
APPEAR ON [COUNTY/COURTHOUSE] BONDS]

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Taxpayer Identification Number: \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

Signature Guaranteed: \_\_\_\_\_

NOTE: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF REQUISITION – PROJECT FUND

Date: \_\_\_\_\_, 20\_\_

No. \_\_

[Treasurer-Tax Collector]

Re: Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice) 2014 Series [A/B]  
(Written Request of the County - 2014 Series [A/B] Project Account)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the 2014 Series [A/B] Project Account within the Project Fund provided for in Section 14.02 of the Indenture dated as of \_\_\_\_\_ 1, 2014 (the “Indenture”) between the Alameda County Joint Powers Authority (the “Authority”) and [Trustee], as trustee, the amount indicated on Schedule A attached hereto to the therein-named individuals, firms and corporations for the payment of project costs relating to the completion of the 2014 Project (as said term is defined in the Indenture.

The obligations in the stated amount have been incurred by the County, and each item thereof is a proper charge against the 2014 Series [A/B] Project Account within the Project Fund. There has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named herein below, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

If checked here you are hereby authorized to close the 2014 Series [A/B] Project Account within the Project Fund and transfer any remaining balance (after payment of any amounts indicated in Schedule A) to the Trustee to be applied to the redemption of bonds.

Very truly yours,

COUNTY OF ALAMEDA

By \_\_\_\_\_  
Authorized Officer

cc: [Trustee]

SCHEDULE A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
—	_____	\$ _____	_____

EXHIBIT C

FORM OF REQUISITION – COSTS OF ISSUANCE

Date: \_\_\_\_\_

No. \_\_

[Trustee]

Re: Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B]  
(Written Request of the Authority – Costs of Issuance Fund)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the Costs of Issuance Fund provided for in Section 14.01 of the Indenture dated as of \_\_\_\_\_ 1, 2014 (the “Indenture”) between the Alameda County Joint Powers Authority (the “Authority”) and [Trustee], as trustee, the not to exceed amounts indicated on Schedule A attached hereto to the therein-named individuals, firms and corporations for expenses incident to the issuance of the above-referenced Bonds pursuant to the Indenture.

The obligations in the stated amounts have been incurred by the Authority and each item thereof is a proper charge against the Costs of Issuance Fund.

If checked here you are hereby authorized to close the Costs of Issuance Fund and transfer any remaining balance (after payment of any amounts indicated in Schedule A) to the Authority for deposit to the 2014 Series [A/B] Project Account within the Project Fund.

Very truly yours,

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By \_\_\_\_\_  
Authorized Officer

SCHEDULE A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
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APPENDIX A

DEFINITIONS



Recording requested by  
and return to:

COUNTY OF ALAMEDA  
c/o Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, CA 94105-2669

Attention: Mary A. Collins, Esq, c/o Michele Bergland.

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**SITE LEASE**

by and between the

**COUNTY OF ALAMEDA**

and the

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

Dated as of \_\_\_\_\_ 1, 2014

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THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND  
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

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## SITE LEASE

THIS SITE LEASE, dated as of \_\_\_\_\_ 1, 2014 (this "Lease" or "Site Lease"), by and between the COUNTY OF ALAMEDA, a political subdivision organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Authority"), a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement" by and between the County of Alameda and the Surplus Property Authority of Alameda County, as lessee (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto in the Facility Lease);

### W I T N E S S E T H:

**WHEREAS**, the Authority has agreed to issue \$\_\_\_\_\_ aggregate principal amount of its Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B] (together with any refunding bonds thereof, the "[County/Courthouse] Bonds"), pursuant to a master indenture, dated as of \_\_\_\_\_ 1, 2014, as supplemented by a [first/second] supplemental indenture, dated as of \_\_\_\_\_ 1, 2014 (as supplemented and amended from time to time, the "Indenture") by and between the Authority and [Trustee], as trustee (together with any successor thereto, the "Trustee"), for the purpose of financing the East County Hall of Justice for the County (the "2014 Project");

**WHEREAS**, the County, pursuant hereto, will lease certain Demised Premises, upon which the 2014 Project is to be constructed of the County to the Authority and the Authority will use the proceeds of the [County/Courthouse] Bonds and other funds provided to the Authority to finance and construct the 2014 Project as provided in the Indenture;

**WHEREAS**, the Authority will lease back the Demised Premises and 2014 Project (collectively, and as further defined, the "Facilities") to the County pursuant to the Facility Lease, dated as of \_\_\_\_\_ 1, 2014 (as amended from time to time, the "Facility Lease"), between the Authority, as lessor, and the County, as lessee; and

**WHEREAS**, under the Facility Lease, the County will be obligated to make base rental payments to the Authority for the lease of the Facilities and the Authority will pledge such base rental payments to the Trustee for payments of the [County/Courthouse] Bonds;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

#### SECTION 1. Demised Premises

The County hereby leases to the Authority and the Authority hereby hires from the County, on the terms and conditions hereinafter set forth, the real property situated in the County of Alameda, State of California, and described in Exhibit A attached hereto and made a part hereof (the "Demised Premises"), together with any additional real property added thereto by any supplement or amendment hereto, [or any real property substituted for all or any portion of such property in accordance with this Lease and the Indenture]; subject, however, to any conditions, reservations, and easements of record or known to the County and the buildings and

all other facilities constructed thereon. The site of the Facilities (exclusive of the buildings and improvements to be constructed thereon) is sometimes referred to herein as the “Demised Premises.” The County shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements to the Facilities, including the Demised Premises.

## SECTION 2. Term

(a) The term of this Lease as to the Demised Premises shall commence on the date of recordation of this Lease in the office of the County Recorder of County of Alameda, State of California, or on \_\_\_\_\_, 2014 whichever is earlier, and shall end on \_\_\_\_\_ 1, 20\_\_\_, unless such term is extended or sooner terminated as hereinafter provided. If on \_\_\_\_\_1, 20\_\_\_ the Base Rental Payments attributable to the related Facilities and all other amounts then due under the Facility Lease with respect to such Facilities shall not be fully paid, or if the rental or other amounts payable under the Facility Lease with respect to such Facilities shall have been abated at any time and for any reason, then the term of this Lease with respect to such Facilities shall be extended until ten (10) days after the Base Rental Payments attributable to such Facilities (being amounts needed to pay the [County/Courthouse] Bonds) and all other amounts then due under the Facility Lease with respect to such Facilities, including amounts needed to pay any [County/Courthouse] Bonds shall be fully paid, except that the term of this Lease as to the respective Facilities shall in no event be extended beyond \_\_\_\_\_ 1, 20\_\_\_. If prior to such date the Base Rental Payments attributable to the related Facilities and all other amounts then due under the Facility Lease with respect to such Facilities shall be fully paid, the term of this Lease with respect to such Facilities shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

## SECTION 3. Rental

The Authority shall pay to the County from the proceeds of the [County/Courthouse] Bonds as and for rental hereunder the amount of \$\_\_\_\_\_, which amount the County finds and determines is full and fair rental for the Demised Premises on the date hereof and which amount the County further agrees will be deposited as set forth in the Indenture and applied to finance the 2014 Project as provided in the Indenture and the Facility Lease.

## SECTION 4. Purpose

The Authority shall use the Demised Premises solely for the purpose of financing the construction of the 2014 Project thereon and for the purpose thereafter of leasing the Facilities when constructed to the County pursuant to the Facility Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Facility Lease, the Authority may exercise the remedies provided in the Facility Lease.

## SECTION 5. Environmental Law and Regulations

(a) Definitions used in this Section 5 and in Section 6.

“Asbestos Containing Materials” shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine);

(b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

“Asbestos Operations and Maintenance Plan” shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Demised Premises.

“Environmental Regulations” shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“Hazardous Materials” shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the County, any of the Demised Premises or the business operations conducted by the County thereon.

“Laws and Regulations” shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities or the Demised Premises

(b) No portion of the Demised Premises is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Demised Premises.

(c) The County has not received any notice from any insurance company which has issued a policy with respect to the Demised Premises or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which

repairs, alterations or other work have not been completed at the Facilities. The County has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting Demised Premises which is to be performed or complied with by it.

#### SECTION 6. Environmental Compliance

(a) Neither the County nor the Authority shall use or permit the Demised Premises or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Demised Premises and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath the Demised Premises or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of an office building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the County shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee or the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released, on, from or beneath the Demised Premises, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Demised Premises.

(b) The County and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Demised Premises free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The County and the Authority shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Demised Premises; provided, however, that notwithstanding that a portion of this covenant is limited to the County and the Authority's use of its best efforts, the Authority and the County shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the County and the Authority's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Demised Premises, the County and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of the truth or accuracy of any representation or warranty contained in Sections 5 and 6, the County and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Trustee and the Bondholders, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 6), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Demised Premises, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any of the Demised Premises, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the County is strictly liable under any Environmental Regulation, its obligation to the Trustee, Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 6(c) shall survive any termination of the Facility Lease or exercise of any remedies thereunder, and the satisfaction of all [County/Courthouse] Bonds and the resignation or removal of the Trustee. The Trustee shall be considered a third party beneficiary for enforcing the obligations of the County and the Authority under this Section 6.

(d) The County and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

#### SECTION 7. Owner in Fee

The County covenants that it is the owner in fee of the Demised Premises. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Authority and the Bondowners harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

## SECTION 8. Assignments and Subleases

Unless the County shall be in default under the Facility Lease, the Authority may not assign its rights under this Lease or sublet the Demised Premises and the Facilities, except pursuant to the Facility Lease, without the written consent of the County, which consent may be withheld in the County's sole and absolute discretion. Upon the occurrence of a default by the County under the Facility Lease, the Authority may assign or sell its rights under this Lease or sublet the Demised Premises and the Facilities, without the consent of the County[, subject to the provisions of that certain Subordination, Non-Disturbance and Attornment Agreement by and among the Trustee, the County, the Authority, and the California Administrative Office of the Courts.] [Q: Does this agreement need to be recorded?]

## SECTION 9. Right of Entry; Easements

The County reserves the right for any of its duly authorized representatives to enter upon the Demised Premises at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The County agrees, upon written request from the Authority, to grant to the Authority a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Demised Premises not having access to a public street, and appurtenant to such parcel, over property owned by the County to a public street. The County may, at any time, satisfy its obligation contained in the preceding sentence as to any such parcel of the Demised Premises by granting to the Authority an easement complying with the requirements of the preceding sentence from such parcel of the Demised Premises to a public street.

## SECTION 10. Termination

The Authority agrees, upon the termination of this Lease, to quit and surrender the Demised Premises and further agrees that any permanent improvements and structures existing upon the Demised Premises at the time of the termination of this Lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Facility Lease and upon payment of the option price required by said section, the term of this Lease shall terminate as to the portion of the Demised Premises upon which the part of the Facilities being so purchased is situated.

## SECTION 11. Default

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and the Trustee, the County may exercise any and all remedies granted by law, except that no merger of this Lease and of the Facility Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Lease by reason of any default on the part of the Authority if such termination would affect or impair any



assignment or sublease of all or any part of the Demised Premises then in effect between the Authority and any assignee or subtenant of the Authority (other than the County under the Facility Lease) [(including, but not limited to, the Administrative Office of the Courts as subtenant under that certain Lease Purchase Agreement by and between the County and the Administrative Office of the Courts)]. So long as any such assignee or subtenant of the Authority shall duly perform the terms and conditions of this Lease, such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any [County/Courthouse] Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondowners.

#### SECTION 12. Quiet Enjoyment

The Authority at all times during the term of this Lease, shall peaceably and quietly have, hold and enjoy all of the Demised Premises then leased hereunder.

#### SECTION 13. Waiver of Personal Liability

All liabilities under this Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the County hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Demised Premises, the Facilities and the 2014 Project. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Demised Premises, the Facilities or the 2014 Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Demised Premises, the Facilities or the 2014 Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

#### SECTION 14. Taxes

The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Demised Premises or the Facilities.

#### SECTION 15. Eminent Domain

In the event the whole or any part of the Demised Premises or the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding [County/Courthouse] Bonds and all other amounts due under the Indenture and the Facility Lease attributable to such part of the Facilities and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

#### SECTION 16. Partial Invalidity

If any one or more of the terms, provisions, covenants or conditions of this Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Lease shall be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

#### SECTION 17. Notices

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the County or the Authority, addressed to the County in care of County of Alameda, County Administrator's Office, 1221 Oak Street, Room 555, Oakland, CA 94612, in all cases with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

#### SECTION 18. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

#### SECTION 19. Amendment

The Authority and the County may at any time agree to the amendment of this Lease; provided, however, that the Authority and the County agree and recognize that this Lease is entered into as contemplated by the terms of the Indenture, and accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Indenture including any notice provisions contained in the Indenture.

#### SECTION 20. Execution

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the County

and the Authority, all with the same force and effect as though the same counterpart had been executed by both the County and the Authority.

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

COUNTY OF ALAMEDA,  
as Lessor

By \_\_\_\_\_  
[Name]  
Authorized Officer

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY,  
as Lessee

By \_\_\_\_\_  
[Name]  
Authorized Officer

**EXHIBIT A**

**Description of Demised Premises**

Real Property Upon Which East County Hall of Justice is to be Constructed

[See Attached]

Recording requested by  
and return to:

COUNTY OF ALAMEDA  
c/o Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, CA 94105-2669

Attention: Mary A. Collins, Esq. c/o Michele Bergland

---

**FACILITY LEASE**

by and between

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

and the

**COUNTY OF ALAMEDA**

Dated as of \_\_\_\_\_ 1, 2014

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THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND  
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

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FACILITY LEASE

THIS FACILITY LEASE, dated as of \_\_\_\_\_ 1, 2014, by and between ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Authority"), a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement" by and between the County of Alameda and the Surplus Property Authority of Alameda County, as lessor, and the COUNTY OF ALAMEDA (the "County"), a body corporate and politic and a political subdivision of the State of California, as lessee;

WITNESSETH:

WHEREAS, the County has determined to finance the construction of the Alameda East County Hall of Justice as described in Exhibit C hereto, as the same may be changed from time to time (the "2014 Project");

WHEREAS, the Authority intends to assist the County in financing the 2014 Project by issuing the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A (the "County Bonds") pursuant to a master indenture, dated as of \_\_\_\_\_ 1, 2014, as supplemented by a first supplemental indenture, dated as of \_\_\_\_\_ 1, 2014 (as supplemented, the "Indenture"), by and between the Authority and [Trustee] (the "Trustee"), as trustee;

WHEREAS, the County will lease to the Authority the [County/Courthouse] [County/Courthouse] Demised Premises pursuant to the [County/Courthouse] Site Lease, dated as of \_\_\_\_\_ 1, 2014;

WHEREAS, the Authority shall construct the 2014 Project (once constructed, the "[County/Courthouse] Facilities") upon the Demised Premises;

WHEREAS, the County will lease back the [County/Courthouse] Facilities from the Authority pursuant to the terms of this Facility Lease;

WHEREAS, under this Facility Lease, the County will be obligated to make base rental payments to the Authority for the lease of the [County/Courthouse] Facilities;

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

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Facility Lease, have the meanings in Appendix A attached hereto and by this reference incorporated herein, which meanings shall be equally applicable to both the singular

and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

## ARTICLE II

### LEASE OF DEMISED PREMISES AND PROJECT; TERM

SECTION 2.01. Lease of [County/Courthouse] Facilities. The Authority hereby leases to the County and the County hereby leases from the Authority the [County/Courthouse] Facilities, including the Demised Premises, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Lease. The [County/Courthouse] Facilities shall consist of the [County/Courthouse] portion of the East County Hall of Justice. The County hereby agrees and covenants during the term of this Lease that, except as hereinafter provided, it will use the [County/Courthouse] Facilities for public and County purposes so as to afford the public the benefits contemplated by this Lease.

#### SECTION 2.02. Term; Occupancy.

(a) The term of this Lease shall commence on the date of recordation of this Lease in the office of the County Recorder of Alameda County, State of California, or on \_\_\_\_\_, 2014, whichever is earlier, and shall end on \_\_\_\_\_ 1, 20\_\_ , unless such term is extended or sooner terminated as hereinafter provided. If on such termination date, the [County/Courthouse] Bonds corresponding to the Base Rental Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, shall not be fully paid, or if the rental payable hereunder with respect to such Facility shall have been abated at any time and for any reason, then the term of this Lease with respect to such Facility shall be extended until all [County/Courthouse] Bonds corresponding to the Base Rental Payments attributable to such Facility and all other amounts then due hereunder with respect to such Facility shall be fully paid, except that the term of this Lease as to the respective [County/Courthouse] Facilities shall in no event be extended beyond ten (10) years after such date. If prior to such date, all [County/Courthouse] Bonds corresponding to the Base Rental Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, shall be fully paid, or provision therefor made, the term of this Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

SECTION 2.03. Substitution. [Assuming no such provision for the Courthouse Facility] The County and the Authority may substitute real property as part of the [County/Courthouse] Facilities for purposes of the Facility Lease upon filing with the Authority and the Trustee, with copies to each rating agency then providing a rating for the County Bonds, all of the following:

(a) Executed copies of the Facility Lease or amendments thereto containing the amended description of the [County/Courthouse] Facilities, including the Demised Premises, including the legal description of the Demised Premises as modified if necessary.

(b) A Certificate of the County with copies of the Facility Lease or a Site Lease, if needed, or amendments thereto containing the amended description of the [County/Courthouse] Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(c) A Certificate of the County evidencing that the annual fair rental value of the [County/Courthouse] Facilities which will constitute the [County/Courthouse] Facilities after such substitution will be at least equal to the maximum amount of Base Rental Payments becoming due in the then current year ending \_\_\_\_\_ 1 or in any subsequent year ending \_\_\_\_\_ 1.

(d) A policy of title insurance naming the County as insured owner showing good and merchantable title to the real property which will constitute the [County/Courthouse] Facilities after such substitution, or a Certificate of the County stating that, based upon review of such instruments, certificates or any other matters described in such Certificate of the County, the County has good merchantable title to the [County/Courthouse] Facilities which will constitute the [County/Courthouse] Facilities after such substitution. The term "Good Merchantable Title" shall mean such title as is satisfactory and sufficient for the needs and operations of the County.

(e) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the [County/Courthouse] Facilities.

(f) A Favorable Opinion of Bond Counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Indenture; (ii) complies with the terms of the Constitution and laws of the State and of this Indenture; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iv) will not cause the interest on the [County/Courthouse] Bonds to be included in gross income for federal income tax purposes.

### **ARTICLE III**

#### **RENTAL PAYMENTS; USE OF PROCEEDS**

SECTION 3.01. Base Rental Payments. Upon substantial completion of the 2014 Project the County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the [County/Courthouse] Facilities, including the Demised Premises (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments, in accordance with the Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. Base Rental Payments shall be calculated on an annual basis, for the twelve-month periods commencing on [June] 2 and ending on [June] 1, except that the first Rental Payment Period shall commence on the date of recordation of this Lease or a memorandum thereof in the office of the County Recorder of the County and shall end on [June] 1, 2015. Base Rental Payments shall be made on [December 1] and [June 1] [Note: discuss base rental payment timing w/r/t IPDs]. Each annual payment of Base Rent (to be payable in installments as aforesaid) shall be for the use of the [County/Courthouse] Facilities, including the Demised Premises.

If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on the 15th day of the month preceding each [June 1] and [December 1], and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Lease. Upon such extension of this Lease, the County shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the Base Rental Payments at Maximum Annual Rental or such lesser amount sufficient to pay all unpaid principal and interest on the [County/Courthouse] Bonds [plus interest].

[The County and the Authority agree that on each day on which Base Rental Payments are payable during the term of the Facility Lease, there shall be applied as a credit against the Base Rental Payments payable on such date for the [Courthouse] Facilities the amounts transferred to the 2014B Interest Subaccount and to the 2014B Principal Subaccount pursuant to and as further described in Section [15.07] of the [Second] Supplemental Indenture.] The Authority shall cause the Trustee to invoice the County not less than 30 days prior to June 1 or December 1 in the amount required for the Base Rental Payment net of such transfers.

SECTION 3.02. Additional Payments. The County shall also pay such amounts (herein called the “Additional Payments”) as shall be required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of this Lease or any pledge of Base Rental payable hereunder, the Indenture, its interest in the Demised Premises and the lease of the [County/Courthouse] Facilities to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the [County/Courthouse] Bonds, the Demised Premises, the [County/Courthouse] Facilities and the Project, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the [County/Courthouse] Bonds or of the Indenture; but not including in Additional Payments amounts required to pay the principal of or interest on the [County/Courthouse] Bonds.

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

The Authority has previously issued bonds pursuant to other agreements and may in the future issue bonds and may in the future enter into leases to finance facilities other than the [County/Courthouse] Facilities and the 2014 Project. The administrative costs of the Authority shall be allocated among said facilities and the [County/Courthouse] Facilities, as hereinafter in this paragraph provided. The fees of the Trustee under the Indenture, and any other expenses directly attributable to the [County/Courthouse] Facilities shall be included in the Additional

Payments payable hereunder. The fees of any trustee or paying agent under any trust agreement securing bonds of the Authority or any indenture other than the Indenture, and any other expenses directly attributable to any facilities other than the [County/Courthouse] Facilities, shall not be included in the administrative costs of the [County/Courthouse] Facilities and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably allocated among all such projects, including the 2014 Project, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the County Administrator or Assistant County Administrator, or a duly authorized representative of the County, endorsed thereon, in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the [County/Courthouse] Facilities.

SECTION 3.03. Fair Rental Value. Such payments of Base Rental Payments and Additional Payments for each rental period during the term of this Lease shall constitute the total rental for said rental period and shall be paid by the County in each rental payment period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the [County/Courthouse] Facilities, including the Demised Premises, during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each twelve-month period beginning December 2 represents the fair rental value of the [County/Courthouse] Facilities, including the Demised Premises for each such period. In making such determination, consideration has been given to the appraised value of the [County/Courthouse] Facilities, costs of demolition, site preparation, design, construction and financing of the 2014 Project, other obligations of the parties under this Lease, the uses and purposes which may be served by the [County/Courthouse] Facilities and the benefits therefrom which will accrue to the County and the general public.

SECTION 3.04. Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the corporate trust office of the Trustee, or such other place as the Authority shall designate. Any such installment of rental accruing hereunder which shall not be paid when due and payable under the terms of this Lease shall bear interest at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum, or such lesser rate of interest as may be permitted by law, from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Authority and the County, the County shall make all rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this Section on any date shall be reduced to the extent of amounts on deposit in the Revenue Fund and available therefor.

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

Rental is subject to abatement as provided in Section 3.06.

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

SECTION 3.05. Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments as shall be required to provide funds in such year for such Base Rental Payments and Additional Payments; provided that, the amount of Base Rental included in the County's initial budget each year shall not be less than the Base Rental set forth in Schedule B hereto for such year. The County will deliver to the Authority, [the Administrative Office of the Courts, the State Department of Finance, and the State Treasurer's Office,] and the Trustee by October 2 of each year a Certificate of the County stating that the budget as adopted appropriates all moneys necessary for the payment of Base Rental Payments and Additional Payments hereunder as so calculated. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the County.

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

SECTION 3.06. Rental Abatement. The Base Rental Payments shall be abated proportionately during any period in which by reason of any material damage or destruction (other than by condemnation which is hereinafter provided for) there is substantial

interference with the use and occupancy of the [County/Courthouse] Facilities and Demised Premises by the County, in the proportion in which the cost of that portion of the Demised Premises and the Project rendered unusable bears to the cost of the whole of the Demised Premises and the [County/Courthouse] Facilities. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this [County/Courthouse] Facilities Lease shall continue in full force and effect and the County waives any right to terminate this [County/Courthouse] Facilities Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, to the extent that moneys are available for the payment of rental payments in the Courthouse Construction Funds Account, rental payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said funds and account.

SECTION 3.07. Use of Proceeds. The parties hereto agree that the proceeds of the [County/Courthouse Bonds] will be used to finance the 2014 Project, to establish the Reserve Fund referred to in the Indenture and to pay the costs of issuing the [County/Courthouse] Bonds and incidental and related expenses. The County agrees to act as agent of the Authority and use the proceeds and other amounts deposited with the Trustee in the Project Fund to acquire and construct the 2014 Project with due diligence. The Authority hereby agrees to construct the 2014 Project in part with the proceeds of the [County/Courthouse] Bonds and to appoint the County as the agent to the Authority to provide for such construction. The Authority and the County agree that the 2014 Project will be constructed in accordance with the plans and specifications prepared by the designers of the 2014 Project and approved by the County.

## ARTICLE IV

### MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01. Construction of the 2014 Project. The Authority hereby agrees to construct the 2014 Project and hereby appoints the County as its agent to construct the 2014 Project. The County, for good and valuable consideration hereby accepts such appointment and further represents and warrants as follows:

(a) [The County has heretofore approved the plans and specifications for the 2014 Project and has satisfied all State approval, environmental, and construction permit requirements applicable thereto.]

(b) The County has procured a contract with a construction manager at risk for the construction of the 2014 Project and will enter into a contract with the Contractor, providing for the construction of the 2014 Project, which will require the Contractor to complete construction by [\_\_\_\_\_, \_\_, 20\_\_] at a cost not to exceed \$\_\_\_\_\_.

(c) The County agrees that upon substantial completion of the 2014 Project it will take possession of and occupy throughout the term of this lease the [County/Courthouse] Facility and the [County/Courthouse] Demised Premises under the terms and provisions of this

[County/Courthouse] Facilities Lease. Such substantial completion shall be evidenced either by a certificate of the Architects or by the occupancy by the County of the 2014 Project.

(d) The County may alter the 2014 Project or issue change orders altering the construction contract plans and specifications during the course of construction and the Authority agrees to cooperate fully with the County to cause such alterations or change orders to be implemented. The time within which the Contractors are required to complete the 2014 Project shall be extended for a period equal to any extensions for time to which the Contractors are entitled under the construction contracts and any delays resulting from other causes and events not within the reasonable control of the Contractors or of the Authority.

SECTION 4.02. Maintenance and Utilities. During such time as the County is in possession of the [County/Courthouse] Facilities, which will commence following completion of the 2014 Project, all maintenance and repair, both ordinary and extraordinary, of the [County/Courthouse] Facilities shall be the responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the [County/Courthouse] Facilities in compliance with applicable law, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the [County/Courthouse] Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the [County/Courthouse] Facilities resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the [County/Courthouse] Facilities. In exchange for the rental herein provided, the Authority agrees to provide once construction is complete only the [County/Courthouse] Facilities, including the Demised Premises.

SECTION 4.03. Changes to the [County/Courthouse] Facilities. Subject to Section 8.02 hereof, the County shall, at its own expense, have the right to remodel the [County/Courthouse] Facilities or to make additions, modifications and improvements to the [County/Courthouse] Facilities, including the Demised Premises. All such additions, modifications and improvements shall thereafter comprise part of the [County/Courthouse] Facilities and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not otherwise damage the [County/Courthouse] Facilities or cause them to be used for purposes other than those authorized under the provisions of state and federal law; and the [County/Courthouse] Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the [County/Courthouse] Facilities immediately prior to the making of such additions, modifications and improvements.

SECTION 4.04. Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the [County/Courthouse] Facilities, including the Demised Premises. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party



shall repair and restore any and all damage to the [County/Courthouse] Facilities resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the County from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the [County/Courthouse] Facilities, except as may be permitted by Section 8.02.

## **ARTICLE V**

### **INSURANCE**

SECTION 5.01. Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease, insurance against loss or damage to any structures constituting any part of the [County/Courthouse] Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and, if available on the open market from reputable insurance companies at a reasonable cost, earthquake insurance as determined by the County. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the [County/Courthouse] Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$500,000 or comparable amount adjusted annually for inflation or more in the case of earthquake insurance), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys held under the Indenture), in the event of total or partial loss, to enable all outstanding [County/Courthouse] Bonds and other obligations encumbering the 2014 Project to be redeemed.

In the event of any damage to or destruction of any part of the [County/Courthouse] Facilities, caused by the perils covered by such insurance, the Authority, except as hereinafter provided, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the [County/Courthouse] Facilities, and the Trustee shall hold said proceeds separate and apart from all other funds, in a special fund to be designated the "Insurance and Condemnation Fund," to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the [County/Courthouse] Facilities to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall permit withdrawals of said proceeds from time to time upon receiving the Written Request of the Authority, stating that the Authority has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred. Any balance of said proceeds not required for such repair, reconstruction or replacement shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.02 of the Indenture.

Alternatively, the Authority, at its option, with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to redeem an aggregate principal amount of outstanding Bonds, equal to the amount of Base Rental attributable to the portion of the [County/Courthouse] Facilities so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the [County/Courthouse] Facilities bears to the cost of the [County/Courthouse] Facilities proportionally reduced by the cost of facilities financed with funds other than Bond Funds), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the [County/Courthouse] Facilities and thereupon shall cause said proceeds to be used for the redemption of outstanding Bonds pursuant to the provisions of the Indenture.

The Authority and the County shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the [County/Courthouse] Facilities are damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the [County/Courthouse] Facilities, or, at the option of the County and the Authority, to redeem outstanding Bonds if such use of such disaster aid is permitted.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed annually with the Trustee a statement of an actuary, insurance consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable coverage for the risks required to be insured against. There shall also be filed a Certificate of the County setting forth the details of such substitute method or plan. In the event of loss covered by any such self insurance method, the liability of the County hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method.

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

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed annually with the Trustee a statement of an actuary, independent insurance consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the County setting forth the details of such substitute method or plan.

SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, (but during the period of construction of the 2014 Project only if such insurance is not provided by a Contractor under a construction contract referred to in Section 3.07 hereof or in the corresponding section of any amendment hereto) rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the [County/Courthouse] Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount sufficient to pay rent hereunder calculated as the highest annual Debt Service on the Bonds determined upon issuance for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed two hundred fifty thousand dollars (\$250,000) or a comparable amount adjusted for inflation (or more in the case of earthquake coverage). Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Lease attributable to such structure for a period of time during which the payment of rental under this Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Indenture.

SECTION 5.04. Worker's Compensation. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

SECTION 5.05. Title Insurance. The County shall obtain, for the benefit of the Authority and the Trustee, upon the execution and delivery of this Lease, title insurance on the East County Hall of Justice Demised Premises in an amount equal to the aggregate principal

amount of the [County/Courthouse] Bonds less the Reserve Fund Requirement, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

SECTION 5.06. Insurance Proceeds; Form of Policies. All policies of insurance required by Sections 5.01 and 5.03 hereof shall name the County, the Authority and the Trustee as insured and shall contain a lender's loss payable endorsement in favor of the Trustee substantially in accordance with the customary industry form. The Trustee shall, to the extent practicable, collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County. The County shall pay when due the premiums for all insurance policies required by this Lease, and shall promptly furnish evidence of such payments to the Authority.

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

SECTION 5.07. Performance Bonds for Construction. The County shall maintain performance, labor, and material payment bonds for each construction contract with respect to the 2014 Project in the full amount of each contract naming the Authority, the County and the Trustee as obligor and the contractor as principal. [To be revised.]

## ARTICLE VI

### DEFAULTS AND REMEDIES

SECTION 6.01. Defaults and Remedies. (a) If the County shall fail to pay any rental payable hereunder when the same becomes due, time being expressly declared to be of the essence of this Lease, or the County shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County for a period of sixty (60) days after notice of the same has been given to the County by the Authority or the Trustee or for such additional time as is reasonably required, in the sole discretion of the Authority, to correct the same, or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the County shall be

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

The County hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the [County/Courthouse]

Facilities as herein provided and all claims for damages that may result from the destruction of or injury to the [County/Courthouse] Facilities and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the [County/Courthouse] Facilities.

(b) If (1) the County's interest in this Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as hereinafter provided for, or (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County shall make a general or any assignment for the benefit of the County's creditors, or if (3) the County shall abandon or vacate the [County/Courthouse] Facilities, then the County shall be deemed to be in default hereunder.

(c) The Authority shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the County to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the County shall be entitled to pursue any remedy provided by law.

(d) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default as described in this Section, the Authority shall be entitled to proceed to protect and enforce the rights vested in the Authority by this Lease or by law. The provisions of this Lease and the duties of the County and of its trustees, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority shall have the right to bring the following actions:

(1) Accounting. By action or suit in equity to require the County and its trustees, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided herein.

The exercise of any rights or remedies under this Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the [County/Courthouse] Facilities. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

SECTION 6.02. Waiver. Failure of the Authority to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease.

## ARTICLE VII

### EMINENT DOMAIN; PREPAYMENT

SECTION 7.01. Eminent Domain. If the whole of the [County/Courthouse] Facilities, including the Demised Premises or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of this Lease shall cease as of the day that possession shall be so taken. If less than the whole of the [County/Courthouse] Facilities shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then this Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal and interest on the Outstanding Bonds will be reduced by the application of the award in eminent domain to the redemption of outstanding

Bonds. So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking the [County/Courthouse] Facilities, including the Demised Premises or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the to the County.

SECTION 7.02. Prepayment. (a) The County shall prepay on any date from insurance (including proceeds of title insurance) and eminent domain proceeds, to the extent provided in Sections 5.01 and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the [County/Courthouse] Facilities caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the [County/Courthouse] Facilities, such proceeds shall be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the [County/Courthouse] Facilities, pursuant to the procedure set forth in Section 5.01 for proceeds of insurance), all or any part of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date (taking into account the reduction in Base Rental allocable to future interest on the Bonds that are redeemed), at a prepayment amount equal to the redemption payment of the maximum amount of Bonds, including the principal thereof and the interest thereon to the date of redemption, plus any applicable premium redeemable from such proceeds.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Indenture sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided that the County furnishes the Trustee with an Favorable Opinion of Bond Counsel that such deposit will not cause interest on the Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the [County/Courthouse] Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

(c) Before making any prepayment pursuant to this article, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.

(d) [When (1) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the [County/Courthouse] Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Indenture, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay



all principal, premium, if any, and interest on the Bonds to the due date of the Bonds or date when the County may exercise its option to purchase the [County/Courthouse] Facilities, as the case may be; (2) all requirements of Section 10.01 of the Indenture have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid, then and in that event the right, title and interest of the Authority herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Authority to have such moneys and such Permitted Investments applied to the payment of the Bonds) and the Authority's interest in and title to the 2014 Project or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Bonds or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Bonds or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Bonds or the option price and the fees and expenses of the Trustee.][Discuss whether needed.]

SECTION 7.03. Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Authority's interest in any part of [County/Courthouse] Facilities, including the Demised Premises upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Lease of the part of the total rent hereunder attributable to such part of the [County/Courthouse] Facilities (determined by reference to the proportion which the cost of such part of the [County/Courthouse] Facilities bears to the cost of all of the [bond financed][discuss] [County/Courthouse] Facilities). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the principal of the Bonds and interest on the Bonds and to redeem Bonds if such Bonds are subject to redemption pursuant to the terms of the Indenture. Upon the making of such payment to the Trustee and the satisfaction of all requirements set forth in Section 10.01 of the Indenture, (a) the Base Rental thereafter payable under this Lease shall be reduced by the amount thereof attributable to such part of the [County/Courthouse] Facilities and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Lease shall not thereafter be applicable to such part of the [County/Courthouse] Facilities, (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Lease need not be maintained as to such part of the [County/Courthouse] Facilities, and (d) title to such part of the [County/Courthouse] Facilities, including the portion of the Demised Premises upon which such part of the [County/Courthouse] Facilities is located shall vest in the County and the term of this Lease shall end as to [County/Courthouse] Facilities, including the portion of the Demised Premises upon which such part of the [County/Courthouse] Facilities is located.

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the [County/Courthouse] Facilities,

and to release said personal property from this Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the [County/Courthouse] Facilities, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the [County/Courthouse] Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of this Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the [County/Courthouse] Facilities leased hereunder. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

## **ARTICLE VIII**

### **COVENANTS**

SECTION 8.01. Right of Entry. The Authority and its assignees shall have the right to enter upon and to examine and inspect the [County/Courthouse] Facilities, including the Demised Premises, during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the County's rights or obligations under this Lease, and (c) for all other lawful purposes.

SECTION 8.02. Liens. In the event the County shall at any time during the term of this Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the [County/Courthouse] Facilities, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the [County/Courthouse] Facilities and shall keep the [County/Courthouse] Facilities free of any and all mechanics' or materialmen's liens or other liens against the [County/Courthouse] Facilities or the Authority's interest therein. In the event any such lien attaches to or is filed against the [County/Courthouse] Facilities or the Authority's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including

attorney's fees) as a result of any such lien or claim of lien against the [County/Courthouse] Facilities or the Authority's interest therein.

SECTION 8.03. Quiet Enjoyment. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the [County/Courthouse] Facilities, including the Demised Premises without suit, trouble or hindrance from the Authority.

SECTION 8.04. Authority Not Liable. The Authority and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the [County/Courthouse] Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the [County/Courthouse] Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the [County/Courthouse] Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05. Assignment and Subleasing. Neither this Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Bonds. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.06. Title to [County/Courthouse] Facilities. During the term of this Lease, the Authority shall hold a leasehold estate to the [County/Courthouse] Facilities and any and all additions which comprise fixtures, repairs, replacement or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the [County/Courthouse] Facilities, and except for any items added to the [County/Courthouse] Facilities by the County pursuant to Section 4.02 hereof. This provision shall not operate to the benefit of any insurance company if there is a rental interruption covered by insurance pursuant to Section 5.03 hereof.

Upon the termination or expiration of this Lease, the Authority shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of the [County/Courthouse] Facilities, including the Demised Premises by the County and to clarify the title of the County on the record thereof.

The leasing by the County to the Authority of the Demised Premises and the [County/Courthouse] Facilities and the subleasing by the Authority to the County pursuant hereto shall not effect or result in a merger of the County's leasehold estate pursuant to this

Lease and its fee estate as lessor under the Site Lease, and the Authority shall continue to have and hold a leasehold estate in the Demised Premises pursuant to the Site Lease throughout the term thereof. As to the Demised Premises and [County/Courthouse] Facilities, this Lease shall be deemed and constitute a sublease.

SECTION 8.07. Tax Covenants. The County and the Authority will not make any use of the proceeds of the [County/Courthouse] Bonds or any other funds of the County or the Authority which will cause such [County/Courthouse] Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The County and the Authority will not make any use of the proceeds of the [County/Courthouse] Bonds provided herein or any other funds of the County or the Authority which will cause such obligations to be “federally guaranteed” and subject to inclusion in gross income for federal income tax purposes by reason of Section 149(b) of the Code. To that end, so long as any rental payments are unpaid, the County and the Authority, with respect to such proceeds and such other funds, will comply with all requirements of such Sections 148 and 149(b) and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect.

The County further covenants that it will not use or permit the use of the [County/Courthouse] Facilities financed or refinanced by the proceeds of the Bonds by any person not an “exempt person” within the meaning of Section 141(a) of the Code or by an “exempt person” (including the County) in an “unrelated trade or business”, in such manner or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

If at any time the County is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Authority under this Lease or the Indenture, the County shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of the County set forth above, the County will comply with the Tax Certificate and will instruct the Trustee in writing as necessary to comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority for any actions taken by the Authority in accordance with such instructions.

The County and the Authority shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

SECTION 8.08. Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure

Certificate. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; however, the Trustee may [(and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Holders of at least 25% aggregate principal amount of County Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall)][to conform with Continuing Disclosure Certificate, when available] or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the County to comply with its obligations under this Section 8.08.

SECTION 8.09. Taxes. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the [County/Courthouse] Facilities or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Lease as and when the same become due.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Authority or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the [County/Courthouse] Facilities, the rentals and other payments required hereunder or any parts thereof or interests of the County or the Authority or the Trustee therein by any governmental authority.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the [County/Courthouse] Facilities will be materially endangered or the [County/Courthouse] Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

SECTION 8.10. Authority's Purpose. The Authority covenants that, prior to the discharge of this Lease, it will not engage in any activities inconsistent with the purposes for which the Authority is organized.

SECTION 8.11. Purpose of Lease. The County represents that the use and occupancy of the [County/Courthouse] Facilities is essential to the public purposes of the County. The County covenants that during the term of this Lease, except as hereinafter

provided, (a) it will use, or cause the use of, the [County/Courthouse] Facilities for public purposes and for the purposes for which the [County/Courthouse] Facilities are customarily used, (b) it will not vacate or abandon the [County/Courthouse] Facilities or any part thereof, and (c) it will not make any use of the [County/Courthouse] Facilities which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof.

## ARTICLE IX

### **DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE [COUNTY/COURTHOUSE] FACILITIES**

SECTION 9.01. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE [COUNTY/COURTHOUSE] FACILITIES OR THE 2014 PROJECT, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE [COUNTY/COURTHOUSE] FACILITIES OR THE 2014 PROJECT OR A DEALER THEREIN, THAT THE COUNTY LEASES THE [COUNTY/COURTHOUSE] FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the County's use of any item or products or services provided for in this Lease.

SECTION 9.02. Vendor's Warranties. The Authority hereby irrevocably appoints the County its agent and attorney-in-fact during the term of this Lease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the [County/Courthouse] Facilities or the 2014 Project, which the Authority may have against the manufacturers, vendors and contractors of the [County/Courthouse] Facilities or the 2014 Project. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the [County/Courthouse] Facilities or of the 2014 Project, and not against the Authority, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority with respect to this Lease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor.

SECTION 9.03. Use of the [County/Courthouse] Facilities. The County will not install, use, operate or maintain the [County/Courthouse] Facilities in violation of any applicable law or in a manner contrary to that contemplated by this Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the [County/Courthouse] Facilities. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the [County/Courthouse] Facilities) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or

jurisdiction over the [County/Courthouse] Facilities; provided, however, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to the [County/Courthouse] Facilities or its interest or rights under this Lease.

**ARTICLE X**

**MISCELLANEOUS**

SECTION 10.01. Law Governing. This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid:

If to the County or the Authority: County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612  
Attention: County Administrator  
Telephone: [(510) 272-6984]  
Fax: [(510) 272-3784]

If to the Trustee: [Trustee]  
\_\_\_\_\_  
\_\_\_\_\_  
Attention:  
Telephone:  
Fax:

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03. Validity and Severability. If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease under which the rentals are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the [County/Courthouse] Facilities, and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04. Triple Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the rentals provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 10.06. Amendment or Termination. The Authority and the County may at any time agree to the amendment or termination of this Lease; provided, however, that the Authority and the County agree and recognize that this Lease is entered into in accordance with the terms of the Indenture, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Indenture including any notice provisions contained in the Indenture.

SECTION 10.07. Execution. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

SECTION 10.08. Third Party Beneficiaries. To the extent that this Lease confers upon or gives or grants to the Trustee any right, remedy or claim under or by reason of this Lease, the Trustee is explicitly recognized as being a third party beneficiary hereunder and may enforce any such rights, remedy or claim conferred, given or granted.



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

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY,  
as Lessor

By: \_\_\_\_\_  
[Name]  
Authorized Officer

COUNTY OF ALAMEDA,  
as Lessee

By \_\_\_\_\_  
[Name]  
Authorized Officer

**EXHIBIT A**

**Description of the [County/Courthouse] Facilities**

East County Hall of Justice

[See Attached]

**EXHIBIT B**

**Base Rental Payment Schedule**

Fiscal Year Ending (June 30)	Principal	Interest	Annual Base Rental*
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\* Portions Payable on the 1st day of each month to the extent required, not to exceed the aggregate Annual Base Rental for such year.

## **EXHIBIT C**

### **2014 Project**

The term “2014 Project” means the planning, design, development, financing, construction, and completion of the East County Hall of Justice for the AOC and the County’s exclusive and non-exclusive occupancy and use, as provided in the DDA and the Lease-Purchase Agreement. The East County Hall of Justice Project will be comprised of approximately 196,219 gross square feet, together with all infrastructure, Parking Areas, Common Areas, and related grounds, landscaping, utility service connections, and any other improvements located on the Land. For the sake of clarity, the Parties acknowledge that such East County Hall of Justice building square footage in total and for the Courthouse Building, County Building, Shared Square Footage, and Common Areas and the Project Cost Formula derived therefrom, may not precisely correlate to the East County Hall of Justice building square footage set forth in the Design-Build Agreement or the actual, as-built East County Hall of Justice building square footage due to possible differences arising from the application of cost control mechanisms, value engineering, calculation methods, rounding, Field Directives, or Change Orders. The County acknowledges that the State Parties are not authorized to exceed either the maximum building square footage of the Court Facility or the State Project Cost pursuant to the Project Budget without the approval of the Judicial Council and the State legislature and absent such approvals the State Parties may be forced to reduce the scope or modify the quality of the Court Facility. Capitalized terms used in this description but not defined shall have the meanings given to them in the DDA.

**EXHIBIT D**

**FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION**

[Letterhead of County]

[Trustee]

\_\_\_\_\_  
\_\_\_\_\_

Attention:

Re: \$\_\_\_\_\_ Alameda County Joint Powers Authority Lease Revenue  
Bonds (East County Hall of Justice), 2014 Series A

Ladies and Gentlemen:

In accordance with the terms of the Facility Lease dated as of \_\_\_\_\_ 1, 2014 (the "Facility Lease"), by and between County of Alameda (the "County") and the Alameda County Joint Powers Authority (the "Authority"), the undersigned hereby certifies, on behalf of the County, that the construction of the 2014 Project and installation of tenant improvements and other improvements to the 2014 Project (as described in the Facility Lease) is substantially complete in accordance with the plans and specifications as of the dated date of this certificate and the 2014 Project is ready for use and occupancy by the County[, notwithstanding that construction may be subject to completion of minor architectural finish ("punch list") items].

This Certificate shall not constitute a Notice of Completion pursuant to Section 3093 of the California Civil Code, and the delivery of this Certificate by the County shall not prejudice any rights that the County may have with respect to any amount due to any party in connection with the acquisition, construction, installation, equipping of, and improvement to, the 2014 Project, including, but not limited to, any right to withhold payment of amounts designated or treated as retainage under construction contracts.

Dated as of: \_\_\_\_\_, 20\_\_\_\_.

COUNTY OF ALAMEDA

By: \_\_\_\_\_  
Title:

**APPENDIX A**

**DEFINITIONS**

**AGENCY AGREEMENT**

between the

**COUNTY OF ALAMEDA**

and the

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

Dated as of \_\_\_\_\_ 1, 2014

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## AGENCY AGREEMENT

This AGENCY AGREEMENT, dated as of [July] 1, 2014 (the "Agency Agreement"), by and between the COUNTY OF ALAMEDA (the "County"), a body corporate and politic and a political subdivision of the State of California and the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Authority"), a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement" by and between the County and the Surplus Property Authority of Alameda County dated as of March 18, 2014;

### WITNESSETH:

WHEREAS, the Authority and the County have entered into two facility leases, each dated as of [July] 1, 2014 (the "Facility Leases"), whereby the Authority has agreed to cause to be constructed those public facilities and buildings described in the Facility Leases, together with demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, improvements and appurtenant and related facilities, namely the East County Hall of Justice (herein called the "2014 Project"), and to lease the 2014 Project to the County, as provided therein; and

WHEREAS, under and pursuant to the Facility Leases, the County is obligated to make base rental payments to the Authority for the lease of the 2014 Project; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Agency Agreement do exist, 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 authorized to execute and enter into the Agency Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. County to Act as Agent for the Authority.

The Authority hereby appoints the County to act as the agent of the Authority in connection with the design and construction of the 2014 Project. The County, as the agent of the Authority for the foregoing purpose, shall cause the design and construction of the 2014 Project to be completed in accordance with the plans and specifications, bidding documents and construction contracts for the 2014 Project heretofore and hereafter approved by the County and in accordance with the Facility Leases and the Master Indenture, dated as of [July] 1, 2014 (as supplemented, the "Indenture"), by and between the Authority and [Trustee] (the "Trustee"), as trustee, and in accordance with any applicable requirements of governmental authorities and law. The Authority shall not be accountable for the acts of the County as its agent hereunder and the County hereby assumes total responsibility for the performance of its duties hereunder.

The County shall comply with all statutes and laws applicable to the construction of the 2014 Project, including all public bidding laws applicable to the construction of the 2014

Project by the County, all environmental laws and all laws, including all provisions of the Government Code of the State of California, regarding the design, site approval and construction of public projects, including the 2014 Project, by counties in the State of California.

Section 2. Acceptance.

The County, for good and valuable consideration in hand received, does hereby accept the foregoing appointment as agent of the Authority for the purposes set forth in Section 1 hereof.

Section 3. Disclaimers of the Authority.

The County acknowledges and agrees that the design of the 2014 Project has not been made by the Authority, that the Authority has not supplied any plans or specifications with respect thereto and that the Authority (a) is not a manufacturer of, nor a dealer in, any of the component parts of the 2014 Project or similar projects, (b) has not made any recommendation, given any advice nor taken any other action with respect to (1) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the 2014 Project or any component part thereof or any property or rights relating thereto, or (2) any action taken or to be taken with respect to the 2014 Project or any component part thereof or any property or rights relating thereto at any stage of the construction thereof, (c) has not at any time had physical possession of the 2014 Project or any component part thereof or made any inspection thereof or any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the 2014 Project or any component part thereof or any property or rights relating thereto (1) will not result in or cause injury or damage to persons or property, (2) has been or will be properly designed or constructed or will accomplish the results which the County intends therefor, or (3) is safe in any manner or respect.

The Authority makes no express or implied warranty or representation of any kind whatsoever with respect to the 2014 Project or any component part thereof in connection with the lease of the 2014 Project to the County or any other circumstance whatsoever with respect thereto, including but not limited to any warranty or representation with respect to: the merchantability or the fitness or suitability thereof for any purpose; the design or condition thereof; the safety, workmanship, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the title to or interest of the Authority thereof beyond that title or interest which the County obtains for the Authority pursuant hereto; the ability thereof to perform any function; that the proceeds derived from the sale of the Bonds will be sufficient to pay the cost of designing and constructing the 2014 Project; or any other characteristic of the 2014 Project; it being agreed that all risks relating to the 2014 Project or the transactions contemplated hereby, by the Facility Leases or by the Site Lease, are to be borne by the County, and the benefits of any and all implied warranties and representations of the Authority are hereby waived by the County.

Section 4. Capitalized Terms. Capitalized terms used herein shall have the meanings ascribed to such terms in the Facility Leases.

IN WITNESS WHEREOF, the Authority and the County have caused this Agency Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY  
as Lessor

By \_\_\_\_\_  
Authorized Officer

COUNTY OF ALAMEDA,  
as Lessee

By \_\_\_\_\_  
Authorized Officer

**NEW ISSUE – FULL BOOK ENTRY**



**Ratings:**  
**Moody's:**  
**Standard & Poor's:**  
**Fitch:**  
**See: "RATINGS" herein.**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Series 2014 Bonds is exempt from State of California personal income taxes. Interest on the Series 2014 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*

**ALAMEDA COUNTY JOINT POWERS AUTHORITY  
 LEASE REVENUE BONDS  
 (EAST COUNTY HALL OF JUSTICE)**

\$ \_\_\_\_\_  
**2014 SERIES A**

\$ \_\_\_\_\_  
**2014 SERIES B**

**Dated: Date of Delivery**

**Due: December 1, as shown below**

**This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or terms of the above-captioned bonds. Investors are advised to read the entire Official Statement, including the section entitled "CERTAIN RISK FACTORS" to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.**

This Official Statement describes the Alameda County Joint Powers Authority's Lease Revenue Bonds (East County Hall of Justice), 2014 Series A (the "Series 2014A Bonds") and the Alameda County Joint Powers Authority's Lease Revenue Bonds (East County Hall of Justice) 2014 Series B (the "Series 2014B Bonds"). (Together, the Series 2014A Bonds and the Series 2014B Bonds are referred to herein as the "Series 2014 Bonds" and each as a "Series"). The Series 2014 Bonds are being issued pursuant to an Indenture, dated as of [July] 1, 2014 (the "Master Indenture"), by and between the Alameda County Joint Powers Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of [July] 1, 2014 relating to the Series 2014A Bonds (the "First Supplemental Indenture") and the Second Supplemental Indenture dated as of [July] 1, 2014 relating to the Series 2014B Bonds (the "Second Supplemental Indenture"), each by and between the Authority and Trustee (together the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture are referred to as the "Indenture"). The Series 2014 Bonds are being issued to provide funds to finance a portion of the costs of acquisition, construction and equipping of the East County Hall of Justice (the "Project"), as described herein. The Series 2014A Bonds are also being issued to provide funds to: (i) fund the Series 2014A Reserve Account; (ii) pay capitalized interest payable with respect to the Series 2014A Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014A Bonds. The Series 2014B Bonds are also being issued to provide funds to: (i) fund the Series 2014B Reserve Account; (ii) pay capitalized interest payable with respect to the Series 2014B Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014B Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT."

The Series 2014 Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2014 Bonds, and individual purchases of the Series 2014 Bonds will be made in book-entry form only. Principal of, premium, if any, and interest on the Series 2014 Bonds will be payable by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Series 2014 Bonds, as described herein. See APPENDIX G: "BOOK-ENTRY ONLY SYSTEM." The Series 2014 Bonds will be issued in denominations of \$5,000 and any integral multiple thereof. Interest on the Series 2014 Bonds will be payable on June 1 and December 1 of each year, commencing [December 1, 2014], at the rates shown on the inside cover. See "DESCRIPTION OF THE SERIES 2014 BONDS – General."

**Each Series of the Series 2014 Bonds are subject to optional redemption prior to maturity as described herein.**

The Series 2014 Bonds are limited obligations of the Authority and are payable solely from and secured solely by (i) Revenues of the Authority, which are comprised primarily of Base Rental Payments paid by the County to the Authority pursuant to the Facility Leases (defined herein) for the use and occupancy of the Facilities (defined herein), (ii) amounts on deposit in certain funds pledged under the Indenture, and (iii) any other amounts (excluding Additional Payments) received by the Authority relating to the Facilities. The County has agreed in the Facility Leases to make all Base Rental Payments, subject to abatement of such Base Rental Payments in the event of material damage or destruction of the Facilities, in whole or in part. Subsequent to the issuance of the Series 2014 Bonds, the Authority may at any time, subject to conditions described in the Indenture, issue Additional Bonds payable from the Revenues and secured by a pledge of the Revenues equal to the pledge securing the Series 2014 Bonds under the Indenture. See "SECURITY FOR THE SERIES 2014 BONDS – Additional Bonds."

**The Series 2014 Bonds are equally and ratably secured solely by a pledge of the Revenues, which Revenues shall be held in trust for the security and payment of the principal of, redemption premiums, if any, and interest on the Series 2014 Bonds as provided in the Indenture. The Series 2014 Bonds do not constitute a debt, liability or obligation of the County or of the State of California or any political subdivision thereof or of the Judicial Council of California or the Administrative Office of the Courts, and neither the faith and credit nor the taxing power of any of the foregoing is pledged to the payment of the principal of or interest on the Series 2014 Bonds. The Authority has no taxing**

**Maturity Schedule  
 (see inside cover)**

*The Series 2014 Bonds are offered when, as and if issued, subject to the delivery of the legal opinion by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Authority in the form attached hereto as Appendix E, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority and for the County by County Counsel. Curls Bartling P.C., Oakland, California, served as Disclosure Counsel to the Authority and the County. Certain legal matters will be passed upon for the Underwriters by their counsel, Jackson Law, Berkeley, California. It is expected that the Series 2014 Bonds in book-entry form will be available for delivery through DTC in New York, New York, by Fast Automated Securities Transfer (FAST) on or about \_\_\_\_\_, 2014.*

**Siebert Brandford Shank & Co., L.L.C.  
 [Other Underwriters to Come]**

Dated:

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or filing under the securities laws of any such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS®**

\$ \_\_\_\_\_  
 ALAMEDA COUNTY JOINT POWERS AUTHORITY  
 LEASE REVENUE BONDS  
 (EAST COUNTY HALL OF JUSTICE)  
 2014 SERIES A  
 Base CUSIP: 010831

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>	<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>
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\$ \_\_\_\_\_  
 ALAMEDA COUNTY JOINT POWERS AUTHORITY  
 LEASE REVENUE BONDS  
 (EAST COUNTY HALL OF JUSTICE)  
 2014 SERIES B  
 Base CUSIP: 010831

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>	<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>
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**COUNTY OF ALAMEDA**

**Board of Supervisors  
(and Governing Board of the Alameda County Joint Powers Authority)**

Scott Haggerty, District 1 (Vice President)  
Richard Valle, District 2  
Wilma Chan, District 3  
Nate Miley, District 4  
Keith Carson, District 5 (President)

**County Officials**

Donald R. White, County Treasurer-Tax Collector  
Patrick O'Connell, County Auditor-Controller  
Susan S. Muranishi, County Administrator  
Donna Ziegler, County Counsel  
Anika Campbell-Belton, Clerk of the Board of Supervisors

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

**Officers**

Keith Carson  
President

Donald R. White  
Treasurer

Patrick O'Connell  
Auditor

Susan S. Muranishi  
Executive Director

Anika Campbell-Belton  
Secretary

**SPECIAL SERVICES**

**Bond Counsel**

Orrick, Herrington & Sutcliffe LLP  
San Francisco, California

**Disclosure Counsel**

Curls Bartling P.C.  
Oakland, California

**Financial Advisor**

Public Financial Management, Inc.  
San Francisco, California

**Trustee**

The Bank of New York Mellon  
Trust Company, N.A.  
San Francisco, California

**Agent for Sale**

The Honorable Bill Lockyer  
Treasurer of the State of California  
Sacramento, California

No dealer, broker, salesperson or other person has been authorized by the Authority, the County or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2014 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2014 Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website. The County also maintains a website. However, the information presented therein is not part of this Official Statement, is not incorporated by reference herein and must not be relied upon in making an investment decision with respect to the Series 2014 Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING  
FORWARD-LOOKING STATEMENTS IN  
THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information in APPENDIX A to this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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## OFFICIAL STATEMENT

### ALAMEDA COUNTY JOINT POWERS AUTHORITY LEASE REVENUE BONDS (EAST COUNTY HALL OF JUSTICE)

\$ \_\_\_\_\_\*  
2014 SERIES A

\$ \_\_\_\_\_\*  
2014 SERIES B

#### INTRODUCTION

*This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement. The offering of the Series 2014 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Introduction or on the cover page and not otherwise defined herein shall have the respective meanings assigned to them elsewhere in this Official Statement or APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – Definitions."*

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the County of Alameda, California (the "County"), the County has no obligation to update the information in this Official Statement. See "CONTINUING DISCLOSURE" herein.

#### Purpose and Overview

The purpose of this Official Statement, including the cover page, inside front cover and appendices hereto (the "Official Statement"), is to provide certain information concerning the issuance of the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A (the "Series 2014A Bonds") and the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice) 2014 Series B (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Series 2014 Bonds" and each a "Series"). The 2014 Bonds of each Series are being sold by the State Treasurer as agent for sale on behalf of the Alameda County Joint Powers Authority (the "Authority") and are being issued by the Authority pursuant to a Master Indenture, dated as of [July] 1, 2014, (the "Master Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of [July] 1, 2014 relating to the Series 2014A Bonds (the "First Supplemental Indenture") and the Second Supplemental Indenture dated as of [July] 1, 2014 relating to the Series 2014B Bonds (the "Second Supplemental Indenture"), each by and between the Authority and Trustee.

The Series 2014 Bonds are being issued to provide funds to finance a portion of the costs of acquisition, construction and equipping of the East County Hall of Justice (the "Project"). The Series 2014A Bonds are also being issued to provide funds to: (i) fund the Series 2014A Reserve Account; (ii) pay capitalized interest payable with respect to the Series 2014A Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014A Bonds. The Series 2014B Bonds are also being issued to provide funds to: (i) fund the Series 2014B Reserve Account; (ii) fund capitalized interest payable with respect to the Series 2014B Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014B Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

**Series 2014A Bonds.** Pursuant to a Site Lease, dated as of [July] 1, 2014 (the "County Site Lease") by and between the County of Alameda (the "County") and the Authority, the County has leased to the Authority certain real property and improvements upon which the Authority will construct a portion of the Project, namely the County

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\*Preliminary, subject to change.

Facility (defined herein). Simultaneously with the County Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “County Facility Lease”), pursuant to which the Authority will lease the County Facility to the County and the County will agree to make Base Rental Payments and other payments during the term of the County Facility Lease. The Trustee will apply the Base Rental Payments it receives from the County to pay the principal of, premium, if any, and interest with respect to the Series 2014A Bonds when due, in accordance with the Indenture. See “THE PROJECT” and SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS.”

**Series 2014B Bonds.** Pursuant to a Site Lease, dated as of [July] 1, 2014 (the “Courthouse Site Lease”) by and between the County and the Authority, the County has leased to the Authority certain real property and improvements upon which the Authority will construct a portion of the Project, namely the Courthouse Facility (defined herein). Simultaneously with the Courthouse Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “Courthouse Facility Lease”), pursuant to which the Authority will lease the Courthouse Facility back to the County and the County will agree to make Base Rental Payments and other payments during the term of the Courthouse Facility Lease. The Trustee will apply the Base Rental Payments it receives from the County pursuant to the Courthouse Facility Lease to pay the principal of, premium, if any, and interest with respect to the Series 2014B Bonds when due, in accordance with the Indenture. The County intends to sublease the Courthouse Facility to the Judicial Council of California (the “Judicial Council”), acting by and through the Administrative Office of the Courts (the “AOC”). See “THE PROJECT” and SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS.”

### **The Authority**

The Authority was formed pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “State”) and a Joint Exercise of Powers Agreement, dated as of April 1, 2004 (the “Joint Exercise of Powers Agreement”), by and between the County and the Redevelopment Agency of the County of Alameda (the “Redevelopment Agency”). The Authority was formed to assist the County in the financing of public capital improvements. The Authority functions as an independent entity and its policies are determined by a five-member board composed of the five members of the County Board of Supervisors. The Authority has no employees and all staff work is done by County staff or by consultants to the Authority.

In 2011, the California legislature adopted ABx1 26 which dissolved California redevelopment agencies. ABx1 26 was upheld on December 29, 2011, by the California Supreme Court in California Redevelopment Association v. Matosantos. As a result, all California redevelopment agencies, including the Redevelopment Agency, were dissolved effective February 1, 2012. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties – Dissolution of the Redevelopment Agencies.” As of February 1, 2012, the Successor Agency of the Redevelopment Agency of the County of Alameda (the “Successor Agency”), which served as the successor agency to the Redevelopment Agency, replaced the Redevelopment Agency as a member of the Authority. As of March 18, 2014, pursuant to that First Amendment to Joint Exercise of Powers Agreement, dated as of March 18, 2014, by and among the County, the Successor Agency and the Surplus Property Authority of the County of the Alameda (the “Surplus Authority”), the Surplus Authority replaced the Successor Agency as a member. The Surplus Authority and the County executed an Amended and Restated Joint Exercise of Powers Agreement, dated as of March 18, 2014 (the “JPA Agreement”).

### **Authority for Issuance of the Series 2014 Bonds**

The Series 2014 Bonds are being issued by the Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), the JPA Agreement and the Indenture.

### **Security for the Series 2014 Bonds**

Each Series of Series 2014 Bonds are limited obligations of the Authority payable solely from, and secured solely by, a pledge of Revenues of the Authority, consisting primarily of Base Rental Payments to be

received by the Authority from the County under the County Facility Lease and the Courthouse Facility Lease (the “Facility Leases”) as well as amounts on deposit in certain funds and accounts pledged under the Indenture and any other amounts (excluding Additional Payments) received by the Authority with respect to the County Facility and Courthouse Facility (together, the “Facilities”). The Base Rental Payments to be paid by the County are payable from its General Fund for the right of use, possession and occupancy by the County of the Facilities. The County has agreed in each Facility Lease to make all Base Rental Payments, subject to abatement of such Base Rental Payments in the event of material damage to or destruction of such Facility or a taking of such Facility in whole or in part. See “THE PROJECT” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS.”

In addition to Base Rental Payments, the County is obligated under each Facility Lease to make Additional Payments for the payment of all costs and expenses incurred by the Authority in connection with the related Facility, including the taxes, fees, costs and expenses and all administrative costs of the Authority related to such Facility each year during the term of the Facility Lease. The County covenants in each Facility Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments in each of its annual budgets and to make the necessary annual appropriations for all such Base Rental Payments and Additional Payments. Additionally, the County has covenanted to procure or cause to be procured and maintained, throughout the term of the Facility Leases, certain insurance on the Facilities, some of which is self-insurance. The Series 2014 Bonds are not secured by the Additional Payments payable under the Facility Leases. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments.”

### **Additional Bonds**

The Indenture permits upon the satisfaction of certain conditions, the issuance of Additional Bonds secured by a pledge of the Revenues on parity with the Series 2014 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Additional Bonds” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE MASTER INDENTURE – Additional Bonds.”

### **Series 2014 Bonds Constitute Limited Obligations**

**The Series 2014 Bonds are limited obligations of the Authority and are payable solely from and secured solely by Revenues comprised primarily of Base Rental Payments paid by the County to the Authority pursuant to the Facility Leases for the use and occupancy of the Facilities, and from amounts on deposit in certain funds pledged under the Indenture. The Series 2014 Bonds are equally and ratably secured solely by a pledge of the Revenues, which Revenues shall be held in trust for the security and payment of the principal of, redemption premiums, if any, and interest on the Series 2014 Bonds as provided in the Indenture. The Series 2014 Bonds do not constitute a debt, liability or obligation of the County or of the State or any political subdivision thereof or of the Judicial Council or the AOC and neither the faith and credit nor the taxing power of the any of the foregoing is pledged to the payment of the principal of or interest on the Series 2014 Bonds. The Authority has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Pledge Under the Indenture” and “– Base Rental Payments; Additional Payments.”**

### **Certain Risk Factors**

There are certain risks associated with the purchase of the Series 2014 Bonds, some of which are set forth herein. See “CERTAIN RISK FACTORS.” Risk factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2014 Bonds.

### **Continuing Disclosure**

The County will file with the EMMA System, during the time any of the Series 2014 Bonds are Outstanding, certain financial information and operating data and notices of the occurrence of certain events in compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”). See “CONTINUING

DISCLOSURE.”

### **Summaries Not Definitive**

Brief descriptions of the Series 2014 Bonds, the Authority, the County and the Facilities are included in this Official Statement, together with summaries of the Site Leases, the Facility Leases, and the Indenture. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Series 2014 Bonds, the Site Leases, the Facility Leases, and the Indenture are qualified in their entirety by reference to the actual documents, or with respect to the Series 2014 Bonds, the forms thereof included in the Indenture, copies of all of which are available for inspection at the corporate trust office of the Trustee at 100 Pine Street, Suite 3100, San Francisco, CA 94111.

### **Additional Information**

The County regularly prepares a variety of publicly available reports, including audits, budgets and related documents and maintains a website, but none of these documents or the website is incorporated herein and must not be relied upon in making an investment decision. Any Owner of the Series 2014 Bonds may obtain a copy of any such report, as available, from the Trustee or the County. Additional information regarding this Official Statement may be obtained by contacting the Trustee or:

---

County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612  
(510) 272-3862

## **DESCRIPTION OF THE SERIES 2014 BONDS**

The following is a summary of certain provisions of the Series 2014 Bonds. Reference is made to the Series 2014 Bonds for the complete text thereof and to the Indenture for a more detailed description of these provisions. The discussion herein is qualified by such reference. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

### **General**

The Series 2014 Bonds will be issued in the aggregate principal amount, mature on the maturity dates and bear interest at the rates, all as shown on the inside cover page of this Official Statement. The Series 2014 Bonds will be dated the date of original issuance.

The Depository Trust Company, or DTC, will act as the initial Securities Depository for each Series of the Series 2014 Bonds, which will be issued initially pursuant to a book-entry only system. See APPENDIX G: “BOOK-ENTRY ONLY SYSTEM” herein. Under the Indenture, the Authority may appoint a successor securities depository to DTC for the Series 2014 Bonds. The Owners of the Series 2014 Bonds have no right to insist upon a book-entry system for the Series 2014 Bonds. The information under this caption, “DESCRIPTION OF THE SERIES 2014 BONDS” is subject in its entirety to the provisions described in APPENDIX G: “BOOK-ENTRY ONLY SYSTEM” while the Series 2014 Bonds are in the book-entry only system.

Interest on each Series of the Series 2014 Bonds will be payable semiannually on June 1 and December 1 of each year, commencing [December 1, 2014] (each an “Interest Payment Date”), and is calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2014 Bond is issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof (“Authorized Denominations”), and bears interest from the Interest Payment Date next preceding its date of authentication, unless such date of authentication is during the period commencing after the fifteenth (15<sup>th</sup>) day of the month (whether or not such day is a Business Day)

immediately preceding an Interest Payment Date (the “Record Date”) through and including the next succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless such date of authentication is on or before the first Record Date, in which event it shall bear interest from the date of issuance of the Series 2014 Bonds; provided, that if on the date of authentication of any Series 2014 Bond, interest is then in default on any Outstanding Series 2014 Bonds of such Series, such Series 2014 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2014 Bonds of such Series.

### **Payment of Principal and Interest**

The Series 2014 Bonds are issued as fully registered bonds and are registered in the name of Cede & Co., as nominee of DTC in book-entry form and shall be evidenced by one bond for each maturity bearing a specified interest rate (each, a “maturity”), in the principal amount of the respective maturity. Individual purchases of interests in Series 2014 Bonds will initially be made in book-entry form only in Authorized Denominations. Purchasers of interests will not receive certificates representing their interests in the Series 2014 Bonds. For a description of the method of payment of principal of, premium, if any, and interest on the Series 2014 Bonds and matters pertaining to transfers and exchanges while in the book-entry only system, see APPENDIX G: “BOOK-ENTRY ONLY SYSTEM.”

So long as Cede & Co. is the registered owner of the Series 2014 Bonds, the Trustee for the Series 2014 Bonds will pay principal of and interest on the Series 2014 Bonds to DTC, which will remit principal, premium, if any, and interest payments to the Beneficial Owners of the Series 2014 Bonds (as described in APPENDIX G: “BOOK-ENTRY ONLY SYSTEM”).

In the event the Series 2014 Bonds are no longer in a book-entry only system, principal or redemption price of the Series 2014 Bonds will be payable at the Corporate Trust Office of the Trustee, and interest payments on the Series 2014 Bonds will be paid by check from the Trustee mailed by first class mail on such Interest Payment Date to such Owner of the Series 2014 Bonds as of the applicable Record Date; provided, however, that if an Owner of \$1,000,000 or more aggregate principal amount of the Series 2014 Bonds gives the Trustee written notice received by the Trustee prior to the applicable Record Date, the payment of principal and redemption price of, and interest on, the Series 2014 Bonds (other than the final payment of principal thereof) will be payable by wire transfer of immediately available funds.

### **Redemption of the Series 2014 Bonds\***

#### ***Optional Redemption.***

[Optional Redemption of the Series 2014A Bonds]. The Series 2014A Bonds maturing on or prior to December 1, 20\_\_ are not subject to optional redemption. The Series 2014A Bonds maturing on or after December 1, 20\_\_, are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part, on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after December 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2014A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Each maturity of the Series 2014A Bonds is also subject to redemption prior to its stated maturity date at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after the first optional redemption date for such maturity set forth below and at a redemption price equal to such percentage of the principal amount of the Series 2014A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium, as set forth in the table below. *{Table to Come}*

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\*Preliminary, subject to change.

[Optional Redemption of the Series 2014B Bonds. The Series 2014B Bonds maturing on or after December 1, 20\_\_, are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part, on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after December 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2014B Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Each maturity of the Series 2014B Bonds is also subject to redemption prior to its stated maturity date at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after the first optional redemption date for such maturity set forth below and at a redemption price equal to such percentage of the principal amount of the Series 2014B Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium, as set forth in the table below. *{Table to Come}*

***Mandatory Sinking Fund Redemption.***

Mandatory Sinking Fund Redemption of Series 2014A Bonds. The Series 2014A Bonds maturing on December 1, 20\_\_ are subject to redemption prior to their stated maturity date in part, by lot, from mandatory sinking fund payments, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest thereof, on December 1 in each of the years in the following amounts:

<b>Mandatory Sinking Fund Payment Date December 1</b>	<b>Sinking Fund Payment</b>
*	\$
* Maturity	

Mandatory Sinking Fund Redemption of Series 2014B Bonds. The Series 2014B Bonds maturing on December 1, 20\_\_ are subject to redemption prior to their stated maturity date in part, by lot, from mandatory sinking fund payments, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest thereof, on December 1 in each of the years in the following amounts:

<b>Mandatory Sinking Fund Payment Date December 1</b>	<b>Sinking Fund Payment</b>
*	\$
* Maturity	

**Redemption from Net Proceeds.** Series 2014 Bonds of each Series are subject to redemption prior to their respective maturity dates, in Authorized Denominations, upon notice as provided in the Indenture, on any date, in whole or in part, selected as provided in the Indenture, from prepayments made by the County pursuant to the applicable Facility Lease of net proceeds of insurance or eminent domain proceeds with respect to the related Facility destroyed, damaged, stolen or taken, at the principal amount thereof together with accrued interest to the date of redemption, without premium.

**Redemption of Series 2014B Bonds from Turbo Redemption Account.** The Series 2014B Bonds are subject to redemption prior to their maturity dates, unless otherwise determined by the Authority, five (5) days after each Interest Payment Date, from funds on deposit in the Turbo Redemption Account. See APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – SUPPLEMENTAL INDENTURE – Turbo Redemption Account."

**Selection of the Series 2014 Bonds for Redemption.** The Authority will designate which maturities and principal amount of the Series 2014 Bonds are to be called for redemption in accordance with the Indenture. If less than all Outstanding Series 2014 Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Series 2014 Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Series 2014 Bonds so selected for redemption. For purposes of such selection, Series 2014 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

**Notice of Redemption.** Notice of redemption will be mailed by the Trustee, not less than 20 nor more than 60 days prior to the redemption date, to the respective Owners of the Series 2014 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee by first class mail. Each notice of redemption will state the date of such notice, the date of issue, the Series, the redemption date, the redemption price, place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2014 Bonds of such maturity to be redeemed and, in the case of Series 2014 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2014 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2014 Bonds be then surrendered at the address of the Trustee specified in the redemption notice.

Any notice of optional redemption of a Series of Series 2014 Bonds may be conditional, and if any condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, said notice will be of no force and effect and the Authority will not be required to redeem such Series of Series 2014 Bonds thereby called for redemption, and the redemption will be cancelled. Any optional redemption of the Series 2014 Bonds and notice thereof will be rescinded and cancelled if for any reason on the date fixed for optional redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2014 Bonds called for optional redemption and such failure to optionally redeem the Series 2014 Bonds called for redemption will not be a default under the Indenture. In addition, the Authority may, at its option, on or prior to the date fixed for optional redemption in any notice of optional redemption of the Series 2014 Bonds, rescind and cancel such notice of redemption by Written Request to the Trustee, who shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled. Failure to give the notice described herein or the insufficiency of any such notice will not affect the redemption of any Series 2014 Bond.

**Effect of Redemption.** Provided that notice of redemption has been duly given as described above and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, each Series of Series 2014 Bonds (or portions thereof) so called for redemption will be held by the Trustee, on the redemption date designated in such notice, the Series 2014 Bonds of such Series (or portions thereof) so called for redemption will become due and payable at the redemption price specified in such notice, together with interest accrued thereon to the date fixed for redemption. In such case, interest on the Series 2014 Bonds of a Series so called



for redemption will cease to accrue, said Series 2014 Bonds of a Series (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Series 2014 Bonds will have no rights in respect thereof except to receive payment of the redemption price and accrued interest thereon to the date fixed for redemption.

## THE PROJECT

The Authority will use the net proceeds of the Series 2014 Bonds, together with other moneys described in “PLAN OF FINANCE,” to finance the cost of construction of the East County Hall of Justice (the “Project”). The Project is a 20 acre site (approximately 196,216 gross square feet) located at the East County Government Center in the City of Dublin, which will consist of a new Superior Court of California courthouse and a new County office complex, including parking areas, common areas, and related grounds and utility service connections. The Project is comprised of 7 parcels, 4 of which comprise the County Facility and 3 of which comprise the Courthouse Facility, and will be adjacent to the County’s Santa Rita Jail, an 83 acre campus that includes an Alameda County Fire Department. Santa Rita Jail is the County’s main incarceration facility.

***The County Facility.*** The County Facility consists of all spaces, rooms and areas, including all related equipment, systems, fixtures and improvements contained within the approximately 42,284 gross square foot two-story office building to be constructed, which will include offices for the District Attorney, Public Defender, and Probation, and space for the Board of Supervisors, and a designated parking area, together with necessary easements over and in the common areas of the Project. Pursuant to a Site Lease, dated as of [July] 1, 2014 (the “County Site Lease”) by and between the County and the Authority, the County has leased to the Authority certain real property and improvements (the “County Demised Premises”) upon which the Authority will construct a portion of the Project, namely the County Facility. Simultaneously with the execution of the County Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “County Facility Lease”), pursuant to which the Authority will lease the County Facility back to the County and the County will make Base Rental Payments and other payments during the term of the County Facility Lease for the right to use, possess and occupy the County Facility.

***The Courthouse Facility.*** The Courthouse Facility consists of all spaces, rooms, and areas, including all related equipment, systems, fixtures and improvements contained within the approximately 146,331 gross square feet, five-story building to be constructed, which will include: thirteen (13) courtrooms for holding superior court, thirteen (13) chambers for judicial officers, spaces for secure holding of prisoners attending court sessions, all together with secure means of transferring the prisoners to and from the courtrooms, administrative support space, the information & technology space and a designated parking area, together with necessary easements over and in the common areas of the Project. Pursuant to a Site Lease, dated as of [July] 1, 2014 (the “Courthouse Site Lease”) by and between the County and the Authority, the County has leased to the Authority certain real property and improvements (the “Courthouse Demised Premises” and together with the County Demised Premises, the “Demised Premises”) upon which the Authority will construct a portion of the Project, namely the Courthouse Facility. Simultaneously with the execution of the Courthouse Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “Courthouse Facility Lease”), pursuant to which the Authority will lease the Courthouse Facility back to the County and the County will make Base Rental Payments and other payments during the term of the Courthouse Facility Lease for the right to use, possess and occupy the Courthouse Facility.

The County and the Judicial Council of California (“Judicial Council”), acting by and through the Administrative Office of the Courts (“AOC”) have entered into a Lease-Purchase Agreement, dated as of \_\_\_\_\_, 2014, for the use and occupancy by the AOC of the Courthouse Facility (the “LPA”). The LPA is a sublease, and subordinate, to the Courthouse Facility Lease. Pursuant to the LPA, the AOC will sublease the Courthouse Facility for a term equal [to the term of the Courthouse Facility Lease.] Upon the expiration of the LPA or the defeasance of the Series 2014B Bonds (except where refunding bonds are issued) and upon satisfaction of certain transfer conditions set forth in the LPA, title to the Courthouse Facility will transfer and vest in the AOC. Pursuant to the LPA, the AOC is responsible for the operation, maintenance and repair of the Courthouse Facility throughout the term of the LPA, and has covenanted in the LPA to not to take any action or fail to take any action that would

adversely affect the exclusion from gross income of interest on the Series 2014 Bonds. The LPA provides that the AOC may not assign or sublet its interest under the LPA without the consent of the County and AOC may not place any encumbrance on the Courthouse Facility. In the event of a default by the AOC under the LPA, the County's only remedy is to terminate the LPA and re-enter and re-let the Courthouse Facility (in which case, the AOC's right to vest in the Courthouse Facility would also terminate). Payments by the AOC under the LPA are not pledged as security for the Series 2014 Bonds. The execution by the County of the LPA does not release the County of its obligations under the Courthouse Facility, including its obligation to make Base Rental Payments and Additional Payments. See also APPENDIX D: "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE-PURCHASE AGREEMENT."

Construction of the Project is expected to commence in \_\_\_\_\_, last 30 months, and is estimated to be ready for occupancy in \_\_\_\_\_. The total cost of the Project is estimated at \$147.7 million, of which approximately \$66.8 million\* is expected to be funded with the proceeds of the Series 2014 Bonds. See also "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES."

Design and construction of the Project is being managed by the County, pursuant to that Agency Agreement, dated as of [July 1], 2014, by and between the County and the Authority, pursuant to which the Authority appoints the County to act as the agent of the Authority in connection with the design and construction of the Project. A contract for construction of the Project is expected to be awarded [prior to or shortly after] the issuance of the Series 2014 Bonds. Interest on the Series 2014 Bonds of each Series is being capitalized to cover the period from the date of issuance of the Series 2014 Bonds of each Series to a date that is six months after the expected construction completion date for the Project. See "- Construction and Completion Risks of the Projects" below. The scheduled Base Rental Payments due under the County Facility Lease, together with capitalized interest on the Series 2014A Bonds, in the aggregate, are calculated to be sufficient to pay the principal of and interest on the Series 2014A Bonds. The scheduled Base Rental Payments due under the Courthouse Facility Lease, together with capitalized interest on the Series 2014B Bonds, in the aggregate, are calculated to be sufficient to pay the principal of and interest on the Series 2014B Bonds.

### **Construction and Completion Risks of the Projects**

Certain administrative, contract and design approvals, typical to these types of projects that are required to be obtained in order to commence construction have yet to be obtained the Project. All such approvals are expected to be obtained in accordance with the construction timeline for the Project.

During the construction period, the Project is subject to all of the ordinary construction risks and possible delays applicable to similar projects. Such risks include, but are not limited to: (i) submitted construction bids being over budget thereby causing all bids to be rejected or delays in project construction, or both, due to the redesign and rebid of the project; (ii) increased materials costs, labor costs or failure of contractors to perform within contract price, potentially resulting in insufficient funding of the project; (iii) inclement weather affecting contractor performance and timeliness of completion, which could affect the costs and availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors; (iv) natural disasters (including earthquake), operating risks or hazards or other unexpected conditions or events adversely affecting the progress of work; (v) contractor claims or nonperformance; (vi) work stoppages or slowdowns; (vii) failure of contractors to meet schedule terms; and (viii) the discovery of hazardous materials or other issues regarding compliance with applicable environmental standards, which can arise at any time during the construction of the project. *{Discussion of insurance during construction to come.}*

Each Facility Lease provides that the obligation of the County to make Base Rental Payments with respect to the related Facility is dependent upon substantial completion of the construction of the related Facility and delivery by the Authority to the County of possession of such Facility for its use and occupancy. Interest on the Series 2014 Bonds of each Series will be capitalized for six months beyond the scheduled construction completion date for the

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\*Preliminary, subject to change.

related Facility. If the Authority cannot deliver possession of a Facility, or any part thereof, by the date to which interest has been capitalized, Base Rental Payments for such Facility, or any part thereof, not delivered will be proportionately abated until such time as the Authority delivers possession. In such an event, amounts would be withdrawn from the applicable Reserve Account to the extent available to pay the principal of and interest on the Series 2014 Bonds when due. There can be no assurance that completion of the construction of the Project will not be delayed, preventing the Authority from delivering possession of the Facilities for use and occupancy by the date to which interest will be capitalized. An abatement of Base Rental is not an event of default and no remedy is available under any Facility Lease to the Holders of the applicable Series 2014 Bonds for nonpayment under such circumstances. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement.”

**PLAN OF FINANCE**

The estimated cost of construction of the Project is \$147.7 million, of which \$66.8 million\* is expected to be paid with proceeds from the Series 2014 Bonds. The Authority anticipates that the remainder of the Project Costs will be paid from equity contributions from the AOC, consisting of the following: (a) \$[49.4] million from the Immediate and Critical Needs Account of the State Court Facilities Construction Fund [upon approval by the State legislature]; (b) \$[12.6] million of the funds deposited into the County’s Courthouse Construction Fund; and (c) an \$[20.6] million of civil assessment revenues. Transfers of these funds will occur simultaneously with the issuance of the Series 2014 Bonds. See also “ESTIMATED SOURCES AND USES OF FUNDS.”

**ESTIMATED SOURCES AND USES OF FUNDS**

The following is a table of the estimated sources and uses of funds with respect to the Project and the Series 2014 Bonds:

<b>Sources of Funds</b>	<b><u>Series 2014A</u></b>	<b><u>Series 2014B</u></b>
Par Amount		
Original Issue Premium		
AOC Equity Contributions <sup>(1)</sup>		
<b>Total Sources</b>		
<hr/>		
<b>Uses of Funds</b>	<b><u>Series 2014A</u></b>	<b><u>Series 2014B</u></b>
Project Account		
Capitalized Interest Account <sup>(2)</sup>		
Reserve Account	(3)	(5)
Costs of Issuance Fund	(4)	(6)
<b>Total Uses</b>		

<sup>(1)</sup> See “PLAN OF FINANCE,” above.  
<sup>(2)</sup> Interest is capitalized with respect to the each Series of Series 2014 Bonds through \_\_\_\_\_, which date is 6 months after the expected construction completion date of the Project.  
<sup>(3)</sup> After this deposit, the Reserve Requirement for the Series 2014A Bonds will be satisfied. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Reserve Accounts.”  
<sup>(4)</sup> Includes certain legal fees, financing and consulting fees, underwriters’ discount, fees of Bond Counsel, Disclosure Counsel, Underwriters’ Counsel and the Financial Advisor, printing costs, rating agency fees, title insurance and other miscellaneous expenses relating to the Series 2014A Bonds.

\*Preliminary, subject to change.

- (5) After this deposit, the Reserve Requirement for the Series 2014B Bonds will be satisfied. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Reserve Accounts.”
- (6) Includes certain legal fees, financing and consulting fees, underwriters’ discount, fees of Bond Counsel, Disclosure Counsel, Underwriters’ Counsel and the Financial Advisor, printing costs, rating agency fees, title insurance and other miscellaneous expenses relating to the Series 2014B Bonds.

**DEBT SERVICE REQUIREMENTS**

Base Rental Payments under the County Facility Lease are due and payable by the County to the Authority on each [May 15] and [November 15], commencing \_\_\_\_\_. Base Rental Payments under the Courthouse Facility Lease are due and payable by the County to the Authority on each [May 1] and [November 1], commencing \_\_\_\_\_.

Pursuant to the Indenture, on June 1 and December 1 of each year, commencing on [December 1, 2014], the Trustee will apply such amounts as are necessary to make principal, premium, if any, and interest payments with respect to the Series 2014 Bonds as the same will become due and payable, as shown on the table that follows.

**Debt Service Schedule\***

<u>Payment Date</u>	<u>Series 2014A Bonds</u>		<u>Series 2014B Bonds</u>		<u>Combined Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	

**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS**

**Pledge Under the Indenture**

The Indenture provides that the Series 2014 Bonds and any Parity Obligations, are payable solely from, and secured by a lien on, (a) all Base Rental Payments paid by the County and received by the Authority under the Facility Leases (but not Additional Payments) and all interest and other income derived from any investment of money in any fund or account, other than the Rebate Fund established pursuant to the Indenture or the Facility Leases (together, the “Revenues”), (b) any other amounts (including proceeds of the sale of the Series 2014 Bonds) held by the Trustee in any fund or account established under the Indenture (except the Rebate Account), and (c) any other amounts (excluding Additional Payments) received the Authority in respect of the Facilities, all under the terms and conditions set forth in the Indenture. As and to the extent set forth in the Indenture, all the Revenues are irrevocably pledged for the security and payment of the Series 2014 Bonds, provided, however, that out of the Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Series 2014 Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from the Revenues derived from Base Rental Payments paid by the County for the use and

\*Preliminary, subject to change.

occupancy of the Facilities as long as the County has such use and occupancy of the Facilities, and from amounts on deposit in certain funds pledged under the Indenture. The Series 2014 Bonds of each Series are equally and ratably secured solely by a pledge of the Revenues, which Revenues are held in trust for the security and payment of the interest on, principal of and redemption premiums, if any, with respect to the Series 2014 Bonds as provided in the Indenture.

**The Series 2014 Bonds are special, limited obligations of the Authority and do not constitute a debt, liability or obligation of the County or of the State or any political subdivision thereof or of the Judicial Council or the AOC, and neither the faith and credit nor the taxing power of any of the foregoing is pledged to the payment of the principal of or interest on any Series 2014 Bonds. The Authority has no taxing power.**

### **Base Rental Payments; Additional Payments**

Revenues of the Authority pledged under the Indenture to the payment of the Series 2014 Bonds consist primarily of the Base Rental Payments to be made by the County to the Authority under the Facility Leases and interest and other income derived from certain funds held under the Indenture.

**General.** The County has covenanted in the Facility Leases, upon substantial completion of the Facilities, to pay to the Authority, as rental for the use and occupancy of the Facilities, the Base Rental Payments for all of the Facilities plus Additional Payments for the payment of all costs and expenses incurred by the Authority in connection with the Facilities as described in the Facility Leases, including without limitation, the taxes, fees, costs and expenses and all administrative costs of the Authority related to the Facilities. The Series 2014 Bonds are not secured by Additional Payments, nor by the lease payments made by the AOC to the County pursuant to the LPA.

Notwithstanding any dispute between the County and the Authority, the County must make all Base Rental Payments and Additional Payments when due without any right of deduction, set-off or counterclaim of any kind and will not withhold any such payments pending final resolution of such dispute. The Facility Leases are triple net leases and the County agrees that the rents will be an absolute net return to the Authority free and clear of any expenses, charges or set-offs whatsoever.

**Covenant to Budget and Appropriate.** In each Facility Lease, the County covenants to take such action as may be necessary to include Base Rental Payments and Additional Payments due under the Facility Lease in its annual budgets and to make the necessary annual appropriations for all such payments in such year that they become due. Such covenants are deemed by the County to be duties imposed by law, and it is the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants. The obligation of the County to make Base Rental Payments and Additional Payments may be abated in whole or in part if the County does not have use and possession of the Facilities.

The obligation of the County to make Base Rental Payments and Additional Payments under the Facility Leases do not constitute an obligation for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Series 2014 Bonds nor the obligation of the County to make Base Rental Payments or Additional Payments constitutes an indebtedness of the County, the State or any of its political subdivisions or of the Judicial Council within the meaning of any constitutional or statutory debt limitation or restriction. See “CERTAIN RISK FACTORS – Base Rental Payments Not County Debt.”

**Abatement.** Base Rental Payments are paid by the County in each rental payment period for and in consideration of the right of use and occupancy of the Facilities during each such period. During any period in which by reason of material damage or destruction (excluding condemnation) there is substantial interference with the use and possession by the County of any portion of a Facility or the related Demised Premises, Base Rental Payments will be abated by an amount determined by the [rental value] that the portion of the Facility and the related Demised Premises rendered unusable bears to the [rental value] of the entire Facility and the related Demised Premises, and then Base Rental Payments will be abated such amount. Any abatement of Base Rental Payments will not be considered an Event of Default under the Facility Leases. Such abatement will continue for the period commencing

with the date of such damage and destruction, and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facility Lease continues in full force and effect and the County waives any right to terminate the Facility Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, in the event all or a portion of the Courthouse Facility that has been damaged or destroyed, to the extent that moneys are available for the payment of Base Rental Payments in the Courthouse Construction Funds Account, Base Rental Payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said account. In the event a Facility cannot be repaired, replaced or rebuilt from the proceeds of insurance, if any, the County agrees to apply for and use its best efforts to obtain any state and/or federal disaster relief funds to repair, replace or rebuild the Facility. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE – Fire and Extended Coverage Insurance” and “– Rental Interruption or Use and Occupancy Insurance.”

***Fire and Extended Coverage Insurance.*** Each Facility Lease requires the County to procure or cause to be procured and to maintain or cause to be maintained throughout the term of the Facility Lease insurance against risk of loss or damage to any structures constituting any part of the related Facility by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance, and earthquake insurance if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. The extended insurance coverage will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance will be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facility, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to a deductible clause for any one loss of not to exceed \$500,000 or comparable amount adjusted for inflation or more in the case of any earthquake insurance that the County may obtain), or, in the alternative, will be in an amount and in a form sufficient (together with moneys under the Indenture), in the event of total or partial loss, to enable the related Series of Series 2014 Bonds and other obligations encumbering the Project to be redeemed. Pursuant to the Facility Leases, the County may self-insure for such risks. The County currently utilizes a combination of deductibles, participation in insurance pools and purchased insurance coverage for protection against adverse losses. The County currently insures all of its real property through a commercial all-risk property insurance policy in the approximate coverage amount of \$2.4 billion, subject to a \$600,000,000 per claim limit and a \$50,000 deductible. In addition, the County purchases commercial flood insurance in the approximate coverage amount of \$2.4 billion, subject to a \$400,000,000 per claim limit and a deductible of 2 percent of total values per unit up to \$25,000, except that in flood zones A/V the maximum deductible is \$100,000. [Once completed and delivered, each Facility will be covered by the County’s flood insurance policy.] The County also purchases earthquake insurance through the California State Association of Counties-Excess Insurance Authority property insurance pool in the approximate coverage amount of \$560 million, subject to certain limits and a deductible of 5 percent of replacement value per unit per occurrence, with a \$100,000 minimum deductible. [Once completed and delivered, each Facility will be covered by the County’s earthquake policy.] See APPENDIX A: “THE COUNTY OF ALAMEDA – RISK MANAGEMENT – Self-Insurance and Purchased Insurance” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE – Fire and Extended Coverage Insurance.” The proceeds of property insurance must be used to repair, reconstruct or replace the related Facility or any portion thereof which is destroyed or damaged or to redeem all related Series of Outstanding Series 2014 Bonds.

***Rental Interruption or Use and Occupancy Insurance.*** Each Facility Lease requires the County to procure or cause to be procured and to maintain or cause to be maintained throughout the term of the Facility Lease (but not during the period of construction of the Project, if such insurance is provided by the general contractor for the Project) a commercial policy of rental interruption or use and occupancy insurance to cover loss of the rental income from, or loss of the use of, the related Facility as a result of any of the hazards covered by its fire and extended coverage insurance in an amount sufficient to pay rent under the Facility Lease calculated at the highest Annual Debt Service on the related Series of Series 2014 Bonds determined upon issuance for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed \$250,000 or a comparable amount adjusted for inflation [or more in the case of earthquake insurance and except that such insurance need be maintained as to the

peril of earthquake only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County.]

**Title Insurance.** Pursuant to the Facility Leases, the County will obtain, for the benefit of the Authority and the Trustee, a title insurance policy on the Demised Premises, subject only to Permitted Encumbrances, in an amount equal to the aggregate principal amount of the related Series of Series 2014 Bonds [less the applicable Reserve Account Requirement], issued by a title insurance company of recognized standing.

See APPENDIX A: “THE COUNTY OF ALAMEDA – RISK MANAGEMENT – Self-Insurance and Purchased Insurance” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE – Insurance – Fire and Extended Coverage Insurance” and “– Rental Interpretation or Use and Occupancy Insurance.”

**Liability Insurance.** Each Facility Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facility Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority, [the County], and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the related Facility, with minimum liability limits of \$[1,000,000] for personal injury or death of each person and \$[3,000,000] for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$[200,000] for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$[3,000,000] covering all such risks, or in the form of a combination of self-insurance, pooled coverage and purchased insurance policies.

**Default and Remedies.**

Upon an Event of Default of a Facility Lease described below, the County will be deemed to be in default under such Facility Lease and the Trustee[, as assignee of the rights of the Authority,] may exercise any and all remedies available pursuant to law or under the Facility Lease to enforce payment of Base Rental Payments when due, or to exercise all remedies. Events of Default under the Facility Leases include (i) the failure of the County to pay any rental payable under the Facility Lease when the same becomes due and payable, (ii) the failure of the County to keep, observe or perform any term, covenant or condition of the Facility Lease or the Indenture to be kept or performed by the County after notice and the elapse of a 60-day grace period and (iii) the bankruptcy or insolvency of the County.

The Trustee, in addition to all other rights and remedies it may have at law, has the option to do any of the following:

(i) To terminate the Facility Lease and retake possession of the Facility. In the event of such termination, the County agrees to immediately surrender possession of the Facility, and to pay the Trustee all damages recoverable at law that the Trustee may incur by reason of default by the County. No termination of the Facility Lease on account of default by the County will be or become effective by operation of law or acts of the parties to the Facility Lease, unless and until the Trustee has given written notice to the County of the election on the part of the Trustee to terminate the Facility Lease.

(ii) Without terminating the Facility Lease, (a) collect each installment of rent as it becomes due and enforce any other term or provision of the Facility Lease to be kept or performed by the County, and/or (b) exercise any and all rights to retake possession of the related Facility. In the event the Trustee does not elect to terminate the Facility Lease in the manner provided for in subparagraph (i) above, the County will remain liable and agrees to keep or perform all covenants and conditions contained in the Facility Lease and to pay the rent to the end of the term of the Facility Lease or, in the event that the Facility is re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as provided for under the Facility Lease (without acceleration).

Should the Trustee elect to retake possession of the Facilities, under the terms of the Facility Lease the County irrevocably appoints the Trustee as the agent and attorney-in-fact of the County to re-let the Facilities, or any items thereof, from time to time, either in the Trustee's name or otherwise, upon such terms and conditions and for such use and period as the Trustee may deem advisable and the County indemnifies the Trustee from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any retaking of possession of and re-letting of the Facilities by the Trustee or its duly authorized agents in accordance with the Facility Lease.

Remedies, upon an Event of Default, do not include accelerating the obligations of the County to pay Base Rental Payments under the Facility Lease. An Event of Default under a Facility Lease does not trigger an Event of Default under the other Facility Lease.

For a further description of the provisions of the Facility Leases, including the terms thereof and a description of certain covenants therein, including maintenance, utilities, taxes, assessments, insurance and other events of default and available remedies, see APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE" attached hereto.

For information regarding the County, see APPENDIX A and APPENDIX C attached hereto. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS" herein.

### **Substitution of Property**

Pursuant to the County Facility Lease, the County and the Authority may amend the County Facility Lease and the County Site Lease to substitute other real property as part of the County Facility, upon filing with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Series 2014A Bonds, all of the following:

(a) Executed copies of the County Facility Lease or amendments thereto containing the amended description of the County Facility, including the legal description of the Demised Premises, as modified, if necessary;

(b) A Certificate of the County with copies of the County Facility Lease (and County Site Lease, if needed) or amendments thereto containing the amended description of the County Facility stating that such documents have been duly recorded in the official records of the County Recorder of the County;

(c) A Certificate of the County evidencing that the annual fair rental value of the County facilities that will constitute the County Facility after such substitution will be at least equal to the maximum amount of Base Rental Payments becoming due in the then current year ending \_\_\_\_\_ 1 or in any subsequent year ending \_\_\_\_\_ 1;

(d) A policy of title insurance naming the County as insured owner showing good and merchantable title to the real property that will constitute the County Facility after such substitution, or a Certificate of the County stating that, based upon review of such instruments, certificates or any other matters described in such Certificate of the County, the County has good merchantable title to the County facilities that will constitute the County Facility after such substitution. The term "Good Merchantable Title" shall mean such title as is satisfactory and sufficient for the needs and operations of the County;

(e) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the County Facility; and

(f) A Favorable Opinion of Bond Counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Indenture; (ii) complies with the terms of the Constitution and laws of the State and of the Indenture; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iv) will not cause the interest on the Series 2014A Bonds to be included in gross income for federal income tax purposes.



**No substitution of property is permitted under the Courthouse Facility Lease with regards to the Courthouse Facility.**

### **Reserve Accounts**

The First Supplemental Indenture establishes a reserve account in the Reserve Fund (the “Series 2014A Reserve Account”) for the Series 2014A Bonds. The Series 2014A Reserve Account is required to be funded in the amount of the Series 2014A Reserve Account Requirement, which as of any date of calculation, is the least of (i) 10 percent of the stated principal amount of all Series 2014A Bonds and any Additional Bonds Outstanding secured by the Series 2014A Reserve Account, (ii) Maximum Annual Debt Service on all Series 2014A Bonds and any Additional Bonds Outstanding secured by the Series 2014A Reserve Account, or (iii) 125 percent of average Annual Debt Service on all Series 2014A Bonds and Additional Bonds Outstanding secured by the Series 2014A Reserve Account. Upon the issuance of the Series 2014A Bonds, the Authority will deposit \$\_\_\_\_\_ into the Series 2014A Reserve Account. All money in the Series 2014A Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account in such order, in the event of any deficiency at any time in either of such accounts on a Principal Payment Date or Interest Payment Date, or for the purposes of paying the interest, principal or redemption premiums, if any, with respect to the Series 2014A Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all the Series 2014A Bonds, on the terms described in the Indenture.

The Second Supplemental Indenture establishes a reserve account in the Reserve Fund (the “Series 2014B Reserve Account”) for the Series 2014B Bonds. The Series 2014B Reserve Account is required to be funded in the amount of the Series 2014B Reserve Account Requirement, which as of any date of calculation, is the least of (i) 10 percent of the stated principal amount of all the Series 2014B Bonds and any Additional Bonds Outstanding secured by the Series 2014B Reserve Account, (ii) Maximum Annual Debt Service on all Series 2014B Bonds and any Additional Bonds Outstanding secured by the Series 2014B Reserve Account, or (iii) 125 percent of average Annual Debt Service on all Series 2014B Bonds and Additional Bonds Outstanding secured by the Series 2014B Reserve Account. Upon the issuance of the Series 2014B Bonds, the Authority will deposit \$\_\_\_\_\_ into the Series 2014B Reserve Account. All money in the Series 2014B Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account, in such order, in the event of any deficiency at any time in either of such accounts on a Principal Payment Date or Interest Payment Date, or for the purposes of paying the interest, principal or redemption premiums, if any, with respect to the Series 2014B Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all the Series 2014B Bonds, on the terms described in the Indenture. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE MASTER INDENTURE – Reserve Account” attached hereto.

Amounts on deposit in, or credited to, the Series 2014A Reserve Account will be available only to pay debt service on the Series 2014A Bonds and amounts on deposit in, or credited to, the Series 2014B Reserve Account will be available only to pay debt service on the Series 2014B Bonds. Amounts on deposit in the 2014A Reserve Account are not available for the payment of debt service on the Series 2014B Bonds, and amounts on deposit in the Series 2014B Reserve Account are not available for the payment of debt service on the Series 2014A Bonds.

### **Investment of Funds and Accounts**

Pursuant to the Indenture, all money held by the Trustee in any of the funds or accounts established pursuant to the Indenture are required to be invested only in “Permitted Investments” as defined in the Indenture. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – DEFINITIONS” attached hereto.

### **Additional Bonds**

In addition to the Series 2014 Bonds, the Authority may, pursuant to the Indenture, issue Additional Bonds, subject to the satisfaction of certain conditions contained in the Indenture, including, among others:

(a) The Authority will be, as evidenced by a Certificate of the Authority, in compliance with all agreements and covenants contained in the Indenture;

(b) The related Supplemental Indenture shall require that the proceeds of the sale of such Additional Bonds shall be applied to the acquisition (by purchase or lease) or construction of facilities to be added to the Facilities or for the refunding of Outstanding Series 2014 Bonds of one or more series;

(c) The aggregate principal amount of Series 2014 Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by the Indenture or by any Supplemental Indenture;

(d) The applicable Facility Lease will have been amended if necessary, and duly recorded in the official records of the County Recorder of the County, so that the aggregate Base Rental Payments payable by the County thereunder is sufficient to pay principal of and interest on the Outstanding Series 2014 Bonds and such series of Additional Bonds;

(e) If any property is added to the description of any Facility in connection with the issuance of such Series of Additional Bonds, a policy of title insurance in an amount equal to the aggregate principal amount of the Bonds, if any, then Outstanding, insuring the County's leasehold interest in the Facility (except any portion thereof that is not real property) subject only to Permitted Encumbrances;

(f) The applicable Facility Leases shall have been amended and duly recorded in the official records of the County Recorder of the County, so as to lease to the County the project being financed from the proceeds of such Additional Bonds or facilities of comparable worth and economic life; and

(g) If any property is added to the description of the related Facility in connection with the issuance of such Series of Additional Bonds, evidence that the County has complied with the covenants relating to the maintenance of insurance on such Facility contained in the Facility Lease with respect to any such added property.

The Additional Bonds will be payable solely from and secured solely by Revenues on parity with Outstanding Series 2014 Bonds as provided in the Indenture, and from amounts on deposit in certain funds pledged under the Indenture. The pledge of and charge and lien upon the Revenues is equal to the pledge, charge and lien securing the Outstanding Series 2014 Bonds, if any, theretofore issued under the Indenture, subject to the terms and conditions of the Indenture. See APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE MASTER INDENTURE – Additional Bonds" attached hereto.

### **CERTAIN RISK FACTORS**

The following factors, along with other the information in this Official Statement, should be considered by potential investors in evaluating the risks associated with the purchase of the Series 2014 Bonds. The following does not purport to be an exhaustive list of risk factors and other considerations that may be relevant to an investment in the Series 2014 Bonds. There can be no assurance that other risk factors will not become evident at any future time. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

#### **Base Rental Payments Not County Debt**

The obligation of the County to pay Base Rental Payments does not constitute an obligation of the County to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Series 2014 Bonds nor the obligation of the County to pay Base Rental Payments constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction of the State, or a pledge of the faith and credit of the County, the Authority or the State or any of its political subdivisions. The obligation of the County to

pay Base Rental Payments is in consideration of the right to the continued use and possession of the Property. In the event of failure of such use and possession, the obligations of the County may be abated in whole or in part as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement.” **The obligations of the AOC to make its lease payments under the LPA for the Courthouse Facility do not constitute indebtedness with the meaning of any constitutional or statutory debt limitation or restriction, or a pledge of the faith and credit of the Judicial Council or the AOC.**

### **Construction and Completion Risks**

Construction of the Project has not yet commenced. During the construction period, the Project will be subject to the ordinary construction risks and possible delays applicable to similar projects. Such risks include, but are not limited to: (i) construction bids being over budget; (ii) increased materials costs, labor costs or failure of contractors to perform within contract price; (iii) inclement weather affecting contractor performance and timeliness of completion; (iv) natural disasters, operating risks or hazards or other unexpected conditions or events; (v) contractor claims or nonperformance; (vi) work stoppages or slowdowns; (vii) failure of contractors to meet schedule terms; and (viii) the discovery of hazardous materials on a site or other compliance issues with applicable environmental standards. See “THE PROJECT — Construction and Completion Risks of the Project.”

Interest on each Series of the 2014 Bonds will be capitalized for six months beyond the respective scheduled construction completion date for the Project. There can be no assurance that completion of the construction of the Project will not be delayed, preventing the Authority from delivering possession of the Facilities for use and occupancy by the date to which interest will be capitalized. **If the Authority cannot deliver possession of the Project by the date to which capitalized interest is provided or cannot deliver possession of a Facility by the date set forth in the related Facility Lease, then Base Rental Payments for such Facility, or any part thereof, will be abated until possession is delivered.** In such an event, amounts would be withdrawn from the \_\_\_\_\_ to the extent available to pay the principal of and interest on the applicable Series of Series 2014 Bonds when due. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement.”

### **State of California Financial Condition; County Reliance on State Budget**

*{To be updated.}* The State continues to experience significant budgetary stress which could result in future reductions or deferrals in amounts payable to the County. The State budget has experienced deficits for the past several years. In addressing these deficits in the recent past, the State has reduced transfers of State general fund money to local governments, including the County.

The County receives approximately 36 percent of its General Fund revenues from the State as payment for services provided by the County on behalf of the State. Such revenues are subject to severe cutbacks when State revenues are reduced. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties.” See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS – Proposition 1A” below for a discussion of actions the State has taken and may take in the future to shift certain property tax revenues from local governments (including the County). See also APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties” for discussion of the transfer of 1 percent of State sales tax to fund realignment of certain services to local governments.

The County cannot predict the extent of the budgetary problems that the State may encounter in this or in any future fiscal years, nor is it clear what measures will be taken by the State to balance its budget, as required by law. Accordingly, the County cannot predict the manner in which the State will implement the 2014 Budget Act, the outcome of future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and

other factors over which the County has no control. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties.”

### **Appropriation**

The County is obligated under each Facility Lease, subject to abatement under certain circumstances, to pay Base Rental Payments from any source of legally available funds (except to the extent that moneys representing capitalized interest are used). The County has agreed in each Facility Lease to take such action as may be necessary to include all Base Rental Payments and other amounts due under the Facility Lease in its annual budgets and to make necessary annual appropriations for all such payments. However, the County is currently liable on other obligations payable from General Fund revenues that may have a priority over the Base Rental Payments, and the Facility Leases do not prohibit the County from incurring additional obligations payable from General Fund revenues concurrently with or prior to the Base Rental Payments. See “APPENDIX A: THE COUNTY OF ALAMEDA” and the financial statements included as part of APPENDIX B: “COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2013.” In the event the County’s revenue sources are less than its total obligations, the County could choose to fund other expenditures before making Base Rental Payments and other payments due under the Facility Leases. The same result could occur if, because of State Constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues.

The County’s ability to collect, budget and appropriate various General Fund revenues is subject to current and future State laws and constitutional provisions, and it is possible that the interpretation and application of these provisions could result in an inability of the County to pay Base Rental Payments when due. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS” below.

### **Limitation on Sources and Decline of Revenues; Additional Expenditures**

There are limitations on the ability of the County to increase revenues payable to the County General Fund. The ability of the County to increase taxes (including ad valorem property taxes that have historically been a primary source of revenue for counties in California) is limited by Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 62, 1A, 22 and 26. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS” herein.

*{To be updated.}* Until three years ago, the County’s property tax assessment roll had grown each year since the 1950s. After two years of declines, the assessment roll for Fiscal Year 2011-12 posted a modest increase of 0.07 percent. Fiscal Year 2012-13 posted an increase of 2.43 percent. The County relies heavily on property taxes to support its operations and a decrease in assessed values has a direct effect on the amount of property taxes collected. The County receives approximately 14.0 percent of the total property taxes collected, which amount comprises approximately 59.0 percent of the County’s discretionary revenues. The ability of the County to make Base Rental Payments may be affected if the County’s discretionary revenues decline. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY REVENUES – Ad Valorem Property Taxes – Assessed Valuations” and “– Property Tax Collections.”

In addition to limitations that have been imposed on the County’s ability to raise revenues, State and federally mandated expenditures for services historically provided by counties, including public protection, health-related services and public assistance, have increased. Over half of the County’s revenue is provided by the federal and State governments, and over half of that amount is used to support mandated services. For a number of years, the annual increase in mandated expenditures has exceeded the annual increase in County revenues. In the event the County’s revenues are less than its total outstanding obligations, the County may be required by federal or State law to fund other expenditures prior to the payment of any Base Rental Payments. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties.”

## **Abatement Risk**

During any period in which, by reason of material damage or destruction, there is substantial interference with the use and occupancy by the County of any portion of the Facilities, Base Rental Payments and Additional Payments due under the applicable Facility Lease with respect to the affected Facility will be abated in proportion to the amount that the portion of the Facility rendered unusable bears to the entire Facility. The County waives any and all rights to terminate a Facility Lease by virtue of any such interference and the Facility Lease would continue in full force and effect. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement” herein.

## **Limitation on Remedies; Re-letting of the Facilities**

Enforcement of any remedies provided in the Facility Leases and Indenture could prove both expensive and time consuming. The Facility Leases provides that, if there is a default by the County, the Trustee may, subject to applicable laws regarding use of such property, retake possession of and re-let the Facilities. Portions of such Facilities may not be easily recoverable and could be of little value to others. Furthermore, due to the essential nature of the government functions of the Facilities, it is not certain whether a court would permit the exercise of the remedies of retaking and re-letting with respect thereto. See “THE PROJECT” herein. Further, the amounts received from any such re-letting may be insufficient to pay the scheduled principal and interest payments with respect to the Series 2014 Bonds.

IN THE EVENT OF A DEFAULT UNDER A FACILITY LEASE, THERE IS NO AVAILABLE REMEDY OF ACCELERATION OF THE TOTAL BASE RENTAL PAYMENTS DUE OVER THE TERM OF THE FACILITY LEASE. THE COUNTY WILL ONLY BE LIABLE FOR BASE RENTAL PAYMENTS ON AN ANNUAL BASIS AS THEY COME DUE, AND THE TRUSTEE WOULD BE REQUIRED TO SEEK SEPARATE JUDGMENTS FOR THE BASE RENTAL PAYMENTS AS THEY COME DUE. IN ADDITION, ANY SUCH SUIT FOR MONEY DAMAGES COULD BE SUBJECT TO LIMITATIONS ON LEGAL REMEDIES AGAINST PUBLIC AGENCIES IN CALIFORNIA, INCLUDING A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS NEEDED TO SERVE THE PUBLIC WELFARE AND INTEREST AND A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS OF A FISCAL YEAR OTHER THAN THE FISCAL YEAR IN WHICH THE BASE RENTAL PAYMENTS WERE DUE.

## **Bankruptcy**

*{To Be Reviewed by Bond Counsel.}* In addition to the limitations on remedies contained in the Facility Leases and the Indenture, the rights and remedies provided in the Indenture and the Facility Leases may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect creditors’ rights. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy cases for public agencies, involuntary bankruptcy petitions may not be filed against public agencies. If the County were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Authority could be prohibited or severely restricted from taking any steps to enforce their rights under the Facility Leases and from taking any steps to collect amounts due from the County under the Facility Leases.

The County is a municipality and therefore cannot be the subject of an involuntary case under the Bankruptcy Code. However, as a municipality, the County may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent any action to collect payments from the County, including the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt that may have a priority of payment superior to that of Owners of the Series 2014 Bonds; and (iv) the possibility of the adoption of a plan (a “Plan”) for the

adjustment of the County's debt without the consent of the Trustee or all of the Owners of the Series 2014 Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is "fair and equitable" and in the best interests of creditors. In addition, the County could either reject the Site Leases or the Facility Leases or assume the Site Leases or the Facility Leases despite any provision of the Site Leases or the Facility Leases that makes the bankruptcy or insolvency of the County an event of default thereunder. If the County rejects the Facility Leases, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and such claim could be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection would excuse the County's obligations to make payments under the Facility Leases. The County may also be permitted to assign the Facility Leases (or the Site Leases) to a third party, regardless of the terms of the transaction documents. If the County rejects the Site Lease, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim and such claim could be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection may excuse the County's performance under both the Site Leases and the Facility Leases and the obligations of the County to make payments thereunder.

The Authority is a municipality and, like the County, cannot be the subject of an involuntary bankruptcy case. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy Code. If the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the projective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent any action to collect payments from the Authority, including the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority, and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the Series 2014 Bonds; and (iv) the possibility of the adoption of a Plan for the adjustment of the Authority's debt without the consent of the Trustee or all of the Owners of the Series 2014 Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable and in the best interests of creditors. In addition, in a bankruptcy of the Authority, the assignment by the Authority to the Trustee of the Site Leases and the Facility Leases could be characterized as a pledge rather than an absolute assignment. Under such circumstances, the Authority may be able to either reject the Site Leases or the Facility Leases or assume the Site Leases or the Facility Leases despite any provision of the Site Leases or the Facility Leases that makes the bankruptcy or insolvency of the Authority an event of default thereunder. If the Authority rejects the Site Leases, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and such claim could be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection would excuse the Authority's performance under both the Site Leases and the Facility Leases and the obligations of the County to make payments thereunder. If the Authority rejects the Facility Leases, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection may excuse the Authority's performance under the Facility Leases and the County's obligations to make payments thereunder. The Authority may also be permitted to assign the Site Leases or the Facility Leases to a third party, regardless of the terms of the transaction documents.

### **Risk of Earthquake**

The County and the various properties that comprise the Facilities are located in a seismically active region. Active earthquake faults underlie both the County and the surrounding Bay Area, including the Hayward Fault, which runs under Oakland, Berkeley and other cities in the County, the San Andreas Fault which passes about 3 miles to the southeast of the city of San Francisco's border and the Calaveras Fault which lies to the east of San Jose and Fremont and \_\_\_\_ miles from the Project. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the County, which registered 6.9 on the Richter scale of earthquake intensity. That

earthquake caused fires, building collapses, and structural damage to buildings and highways in the San Francisco Bay Area, including the County.

In April 2008, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Society, and the Southern California Earthquake Center) reported that there is a 63 percent chance that one or more quakes of about magnitude 6.7 or larger will occur in the Bay Area before the year 2038. Such earthquakes may be very destructive. For example, the U.S.G.S. predicts a magnitude 7.0 earthquake occurring today on the Hayward Fault would likely cause hundreds of deaths and almost \$100 billion of damage. In addition to the potential damage to County-owned buildings and facilities, including the various properties that comprise the Facilities, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly longer-term harm to the County's economy, tax receipts, and residential and business real property values.

The Facility Leases require the County to maintain insurance on the Facilities against certain risks such as earthquakes, if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. The County currently insures all of its buildings against earthquake damage through an approximately \$560 million insurance policy through the California State Association of Counties – Excess Insurance Authority property insurance pool, subject to certain claim limits and deductibles as described under “SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2014 Bonds – Base Rental Payments; Additional Payments – Fire and Extended Coverage Insurance” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Facility Leases – Fire and Extended Coverage Insurance.” In addition, certain procedures and standards will be followed in the construction of the various properties that comprise the Facilities to ensure compliance with seismic standards required by State law. However, if there were an occurrence of severe seismic activity in the County not covered by the County's earthquake insurance or exceeding the policy limits of such insurance, there could be an abatement or adverse impact on the County's ability to pay the Base Rental Payments.

### **Hazardous Substances**

Owners and operators of real property may be required by law to remedy conditions on the property relating to actual or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the County.

The County knows of no existing hazardous substances that require remedial action on or near the Facilities. However, it is possible that such substances may currently exist and have not been discovered by the County.

### **Change in Federal Law**

No assurance can be given that the United States Congress or the President will not at some future time adopt initiatives or legislation or that the federal courts will not at some future time render a decision, the outcome of which could result in a reduction of the County's General Fund revenues, causing a reduction of funds available to the County to make Base Rental Payments. See also [“TAX MATTERS – Risk of Future Legislative Changes and/or Court Decisions.”]

### **Change in State or Local Law**

No assurance can be given that the State or the County electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the laws of the State Constitution in a

manner that could result in a reduction of the County's General Fund revenues and, as a result, in a reduction of the funds legally available to the County to make Base Rental Payments. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS"

## **CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS**

### **Article XIII A of the California Constitution**

In 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A was subsequently amended on several occasions in various respects. Article XIII A limits the amount of any ad valorem tax on real property to 1 percent of the full cash value (defined below) thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and or bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities approved by 55 percent of the voters voting on the proposition. Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash" or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This value is commonly known as the "base year" value. This base year value may be increased at a rate not to exceed 2 percent per year to account for inflation.

Article XIII A has been amended to permit reduction of the base year value in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the "base year value" in the event of reconstruction of property damaged or destroyed in a disaster if certain conditions are met or in the event of certain transfers between parents and children, between grandparents and grandchildren, between spouses, or in certain situations where the elderly or disabled acquire new residences.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2 percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

### **Article XIII B of the California Constitution**

On October 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Propositions 98 and 111, approved by California voters in 1988 and 1990, respectively, substantially modified Article XIII B. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living and population. The initial version of Article XIII B provided that the "base year" for establishing an appropriations limit was the 1978-79 fiscal year, which was then adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Proposition 111 revised the method for making annual adjustments to the appropriations limit by redefining changes in the cost of living and in population. It also required



that beginning in Fiscal Year 1990-91 each appropriation limit must be recalculated using the actual 1986-87 appropriations limit and making the applicable annual adjustments as if the provisions of Proposition 111 had been in effect.

Appropriations subject to limitations of a local government under Article XIII B include generally any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Proceeds of taxes include, but are not limited to, all tax revenues plus the proceeds to an entity of government from (1) regulatory licenses, user charges and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), (2) the investment of tax revenues, and (3) certain subventions received from the State. Article XIII B permits any government entity to change the appropriations limit by a vote of the electors in conformity with statutory and constitutional voting effective for a maximum of four years.

As amended by Proposition 111, Article XIII B provides for testing of appropriations limits over consecutive two-year periods. If an entity's revenues in any two-year period exceed the amounts permitted to be spent over such period, the excess has to be returned by revising tax rates or fee schedules over the subsequent two years. Amended by Proposition 98, Article XIII B provides for the payment of a portion of any excess revenues to a fund established to assist in financing certain school needs. Appropriations for "qualified capital outlays" are excluded from the limits of Proposition 111.

Section 7900 et. seq. of the California Government Code defines certain terms used in Article XIII B and sets forth the methods for determining the appropriations limits for local jurisdictions. Relying on these definitions and Chapter 60, Statutes of 1990 effective August 1, 1990, which implemented Proposition 111, the County has determined that its appropriations limit for "proceeds of taxes" for Fiscal Year 2013-14 is \$1.996 billion, an increase of 0.64 percent over Fiscal Year 2012-13. The estimated Fiscal Year 2013-14 budgeted proceeds of taxes do not exceed the appropriations limit. *{To be updated.}*

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the County to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 likely will be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. Further, any general purpose tax that the County imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election held prior to November 5, 1998. The County believes that no existing County-imposed taxes deposited into its General Fund are subject to challenge for having failed to meet the voter approval requirements of Proposition 218. The voter approval requirements of Proposition 218 reduce the flexibility of counties to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIII C also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the County will not, in the future, approve an initiative or initiatives that reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's General Fund, or that the voters of the State will not adopt further restrictions on the rights of municipalities to tax. If such repeal, reduction, or restriction were to occur, the County's ability to repay the Series 2014 Bonds could be adversely affected.

Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain certain fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIII D, over and above any general benefits conferred, (iii) a majority protest procedure for assessments, which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges that are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. The County does not believe that it is currently collecting fees, charges or assessments in violation of Article XIII D.

## **Proposition 62**

On November 4, 1986, California voters adopted Proposition 62, a statutory initiative which, among other matters, requires (i) that any tax for general governmental purposes imposed by local governmental entities be approved by a majority vote of the voters voting in an election on the issue, (ii) that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters voting in an election on the issue, and (iii) that the revenues from a special tax be used for the purposes or for the services for which the special tax was imposed.

On September 28, 1995, the California Supreme Court filed its decision in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220 (1995), which upheld a Court of Appeal decision invalidating a one-half cent countywide sales tax for transportation purposes levied by a local transportation authority. The California Supreme Court based its decision on the failure of the authority to obtain a two-thirds vote for the levy of a “special tax” as required by Proposition 62. The Santa Clara decision did not address the question of whether or not it should be applied retroactively.

In mid-2001, the California Supreme Court issued its decision in *Howard Jarvis Taxpayers Association et al. v. City of La Habra*, 25 Cal. 4th 809 (2001), in which it concluded, in part, that if a tax is illegal, the statute of limitations applicable thereto begins to run anew with each collection of that tax.

Proposition 62 as an initiative statute does not have the same level of authority as a constitutional initiative, but is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State’s electorate. Since the passage of Proposition 218, however, certain provisions of Proposition 62 (e.g., voter approval of taxes) are governed by the California Constitution. The requirements of Proposition 218 and Proposition 62 are not in complete harmony, and so where they diverge, the County must meet both standards. For a discussion of taxes affected by Proposition 218, see “Article XIII C and Article XIII D of the California Constitution” above. If a court determined that a jurisdiction imposed a tax in violation of Proposition 62, Proposition 62 would require that the portion of the 1 percent general ad valorem property tax levy allocated to that jurisdiction be reduced by \$1 for every \$1 in revenue attributable to the tax for each year that the tax had been collected.

## **Proposition 1A**

The California Constitution and existing statutes give the Legislature authority over property taxes, sales taxes and the vehicle license fee (the “VLF”). The Legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to the ongoing financial difficulties of the State in recent years, it has not provided reimbursements for many mandated costs. In other cases, the State has suspended

mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local government's property, sales and vehicle license fee revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a "severe state financial hardship," which must be approved by a two-thirds vote of both houses of the Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (i) protects the property tax backfill of sales tax revenues diverted to pay the economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (ii) protects local agency vehicle license fee revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example, the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

## **Proposition 22**

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

### **Proposition 26**

Proposition 26 was approved by the electorate at the November 2, 2010 election and amended California Constitution Articles XIII A and XIII C. The proposition imposes a two-thirds voter approval requirement for the imposition of fees and charges by the State. It also imposes a majority voter approval requirement on local governments with respect to fees and charges for general purposes, and a two-thirds voter approval requirement with respect to fees and charges for special purposes. Proposition 26, according to its supporters, is intended to prevent the circumvention of tax limitations imposed by the voters in California Constitution Articles XIII A, XIII C and XIII D pursuant to Proposition 13, approved in 1978, Proposition 218, approved in 1996, and other measures through the use of non-tax fees and charges. Proposition 26 expressly excludes from its scope a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and that does not exceed the reasonable cost to the State or local government of providing the service or product to the payor.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D and Propositions 62, 1A, 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting County revenues or the County's ability to expend revenues. The nature and impact of any such measures cannot be anticipated by the County.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2014 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the Series 2014 Bonds is less than the amount to be paid at maturity of such Series 2014 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2014 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2014 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2014 Bonds is the first price at which a substantial amount of such maturity of the Series 2014 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2014 Bonds accrues daily over the term to maturity of such Series 2014 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2014 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2014 Bonds. Beneficial Owners of the Series 2014 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2014 Bonds with original issue discount, including the

treatment of Beneficial Owners who do not purchase such Series 2014 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2014 Bonds is sold to the public.

Series 2014 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Series 2014 Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Series 2014 Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Series 2014 Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Series 2014 Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2014 Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2014 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2014 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2014 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2014 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2014 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2014 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2014 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the Series 2014 Bonds to a federal income tax at an effective rate of 10 percent or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the Series 2014 Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2014 Bonds. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Series 2014 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code. Bond Counsel’s engagement with respect to the Series 2014 Bonds ends with the issuance of the Series 2014 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the Series 2014 Bonds in the event of an audit examination by the IRS. Under

current procedures, parties other than the Issuer and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2014 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2014 Bonds, and may cause the Issuer or the Beneficial Owners to incur significant expense.

## LEGAL MATTERS

The validity of the Series 2014 Bonds and certain other legal matters are subject to the legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Certain legal matters will be passed upon for the Authority and for the County by Donna Ziegler, County Counsel. Curls Bartling P.C. served as Disclosure Counsel to the Authority and the County. Certain legal matters will be passed upon for the Underwriters by Jackmon Law. None of Bond Counsel, counsel to the Underwriters, Disclosure Counsel or County Counsel, as counsel to the Authority and the County, undertakes any responsibility for the accuracy, completeness, or fairness of this Official Statement, except as otherwise stated in their respective opinions to be delivered upon the issuance of the Series 2014 Bonds, and none of such opinions is addressed to or may be relied upon by purchasers of the Series 2014 Bonds.

## CONTINUING DISCLOSURE

The County will agree to provide, during the time the Series 2014 Bonds are outstanding, certain financial information and operating data and notices of the occurrence of certain enumerated events in compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"). The specific nature of the notices of events and certain other terms of the continuing disclosure obligation are described in APPENDIX F: "PROPOSED FORM OF THE CONTINUING DISCLOSURE CERTIFICATE." Failure of the County to provide the required ongoing information may affect transferability, liquidity and the market price of the Series 2014 Bonds in the secondary market, but will not constitute a default under the Indenture or the Facility Leases. Except as described in the following sentence, the County has not failed to comply in the previous five years in all material respects with any previous undertakings with respect to the Rule. Due to the administrative oversight, the County did not file the following information on a timely basis: (1) the annual report for its 1996 Taxable Pension Obligation Bonds, Series B for 2009, 2010, 2011 and 2012; (2) property tax delinquency information for 2011 and 2012 (for all issues); and material event notices of a rating downgrade (based on insurer ratings) of FSA Insurance [on May 11, 2009 by Fitch,] and of Assured Guaranty [on May 4, 2009 by Fitch and] on November 12, 2009 by Moody's relating to the Alameda County Joint Powers Authority Lease Revenue Bonds (Juvenile Justice Refunding), 2008 Series A. All information listed in the preceding sentence has been filed.

The County has engaged Willdan Financial Services to assist in the preparation of its annual reports and utilizes the services of Digital Assurance Certification, LLC as its dissemination agent to assist it in the timely filing of all required continuing disclosure information. In addition, the County has designated a County official as the point person for compliance with the Rule, retained Curls Bartling P.C. to serve as disclosure counsel on an ongoing basis to advise on compliance with the Rule, and established procedures to ensure timely submission of required information to the dissemination agent and to otherwise meet its obligations under the Rule.

**Neither the Judicial Council nor the AOC are identified in the Continuing Disclosure Certificate as obligated parties for purposes of complying with the Rule and have no continuing disclosure obligations thereunder in connection with the Series 2014 Bonds.**

## ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Series 2014 Bonds, the Site Leases, the Facility Leases or the Indenture, and an opinion of County Counsel to that effect will be furnished at the time of the original delivery of the Series 2014 Bonds. The Authority is not aware of any litigation pending or threatened

questioning the existence of the Authority or the County or contesting the County's ability to appropriate or make Base Rental Payments. There are a number of lawsuits and claims pending against the County. In the opinion of County Counsel, the aggregate amount of any tort liability that the County might incur as a result of adverse decisions in such cases would be covered under the County's self-insurance program or its excess insurance coverage. In the further opinion of County Counsel, the aggregate amount of any non-tort liability that the County might incur as a result of adverse decisions in such cases would be covered under the County's litigation reserves.

## **FINANCIAL STATEMENTS**

The County's audited financial statements with supplemental information for the year ended June 30, 2013, are included in this Official Statement as part of Appendix B. In connection with the inclusion of the financial statements and the report of Macias Gini & O'Connell LLP, independent accountants to the County (the "Independent Accountants"), the County did not request the Independent Accountants to, and the Independent Accountants have not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Independent Accountants with respect to any event subsequent to the date of its report.

## **RATINGS**

Moody's Investors Service, Fitch Ratings and Standard & Poor's have assigned the Series 2014 Bonds the ratings of "\_\_\_," "\_\_\_" and "\_\_\_," respectively. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell or hold the Series 2014 Bonds. There is no assurance that such ratings will continue for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely by the rating agencies, or any of them, if in their, or its, judgment, circumstances so warrant. The Authority, the County, the Trustee and the Underwriters undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal and other actions of a rating agency may have an adverse effect on the market price of the Series 2014 Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

## **UNDERWRITING**

The Series 2014 Bonds are being purchased through negotiation by Siebert Brandford Shank & Co., L.L.C., on its own behalf and as representative of \_\_\_\_\_ (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Series 2014A Bonds at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2014A Bonds, plus [net] original issue premium in the amount of \$\_\_\_\_\_, less an Underwriters' discount of \$\_\_\_\_\_). The Underwriters have agreed to purchase the Series 2014B Bonds at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2014B Bonds, plus [net] original issue premium in the amount of \$\_\_\_\_\_, less an Underwriters' discount of \$\_\_\_\_\_). The Underwriters are obligated to purchase all of the Series 2014 Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the contract of purchase relating to the Series 2014 Bonds.

### **{Any Notices from Underwriters?}**

The Underwriters may also offer and sell the Series 2014 Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

## **FINANCIAL ADVISORS**

The Authority has retained Public Financial Management, Inc., San Francisco, California, and TKG & Associates LLC, San Francisco, California to serve as registered municipal advisors (the “Co-Financial Advisors”) in connection with the preparation of this Official Statement and with respect to the issuance of the Series 2014 Bonds. The Co-Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Each Co-Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities.

## **STATE TREASURER**

The Series 2014 Bonds are being sold by the State Treasurer as agent for sale on behalf of the Authority. The State is not obligated, and has not undertaken, to furnish, review, or verify the information contained in this Official Statement. The State assumes no responsibility for the accuracy, completeness or fairness of the information contained herein.



**EXECUTION AND DELIVERY**

The preparation and distribution of this Official Statement have been authorized by the Authority and the County.

ALAMEDA COUNTY JOINT POWERS AUTHORITY

By: \_\_\_\_\_  
Executive Director

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_  
\_\_\_\_\_

**APPENDIX A**  
**THE COUNTY OF ALAMEDA**

**APPENDIX B**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE  
COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS**

**APPENDIX D**

**SUMMARY OF CERTAIN PROVISIONS OF THE LEASE-PURCHASE AGREEMENT**

**APPENDIX E**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

## APPENDIX F

### PROPOSED FORM OF THE CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the County of Alameda, California (the “County”) in connection with the issuance, execution and delivery of \$\_\_\_\_\_ aggregate principal amount of Lease Revenue Bonds (East County Hall of Justice), 2014 Series A and \$\_\_\_\_\_ aggregate principal amount of Lease Revenue Bonds (East County Hall of Justice), 2014 Series B (together, the “Series 2014 Bonds”), dated and delivered on the date hereof, of the Alameda County Joint Powers Authority (the “Authority”), a joint powers agency created pursuant to a Joint Exercise of Powers Agreement, dated as of April 1, 2004, as amended by and between the County and the Surplus Authority of the County of Alameda. The Series 2014 Bonds are being delivered pursuant to an Indenture dated as of [July] 1, 2014, between the Authority and The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as trustee (the “Trustee”), as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, each dated as of [July] 1, 2014, by and between the Authority and Trustee (collectively, the “Indenture”). The County is executing this Disclosure Certificate as the “Obligated Person” in connection with the Series 2014 Bonds, as further defined and described in Section 1 below. The County covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the County, as the “Obligated Person” under the Rule (as hereinafter defined) for the benefit of the Holders and Beneficial Owners of the Series 2014 Bonds and in order to assist the Participating Underwriters in complying with the Rule (as hereinafter defined).

**SECTION 2. Definitions.** The definitions set forth in the Indenture apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2014 Bonds (including persons holding Series 2014 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2014 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the County or any successor Dissemination Agent designated in writing by the County, and which has filed with the County a written acceptance of such designation.

“Holder” shall mean either the registered owners of the Series 2014 Bonds, or, if the Series 2014 Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the official statement relating to the Series 2014 Bonds, dated \_\_\_\_\_, 2014.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2014 Bonds required to comply with the Rule in connection with the offerings of the Series 2014 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the County’s Fiscal Year (which currently is June 30), commencing with the 2013-2014 Fiscal Year, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that if the audited financial statements of the County are not available by the date required above for the filing of the Annual Report, the County shall submit unaudited financial statements and submit the audited financial statements as soon as available. If the County’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event.

(b) If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County shall send a notice to the MSRB in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the Authority stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content of Annual Reports. The County’s Annual Report shall contain or incorporate by reference the following financial information or operating data presented in the final Official Statement relating to the Series 2014 Bonds, updated to incorporate information for the most recent Fiscal Year:

(a) The audited financial statements of the County for the preceding Fiscal Year, prepared in accordance with Generally Accepted Accounting Principles applicable to governmental entities. If the County’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in the format similar to the financial statement contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) A description of any occurrence that would adversely impact the County’s beneficial use and possession of the Facilities and other occurrence that may provide the County with the opportunity to abate in whole or in part any Base Rental Payment; and

(c) An update to the information shown in the following tables and subsections set forth in Appendix A to the Official Statement: [Table A-9 – “County of Alameda Statement of Revenues, Expenditures and Ending Fund Balances (General Fund Only),” Table A-12 – “County of Alameda Assessed Valuation,” Table A-13 – “County of Alameda Property Tax Levies, Delinquencies and Collections,” Table A-17 – “Alameda County Employees’ Retirement Association Estimated Employers’ Contribution,” Table A-18 – “Alameda County Employees’ Retirement Association Schedule of Funding



Progress – Pension Plan,” Table A-19 – “Alameda County Employees’ Retirement Association Determination of Contribution Rates,” Table A-20 – “Alameda County Employees’ Retirement Association Schedule of Funding Status Progress – Post Employment Medical Benefits Without Limits,” Table A-21 – “Alameda County Treasurer’s Office Composition of Treasurer’s Cash Pool,” and Table A-23 – “County of Alameda Estimated Direct and Overlapping Debt.”] The County need not update any particular table or chart so long as (i) the County provides updated information relating to the County generally of the type previously included in such table or chart, or (ii) such table or chart constitutes information not deemed to be operating data under the Rule.

The County has not undertaken in this Disclosure Certificate to update all information an investor may want to have in making decisions to hold, sell or buy the Series 2014 Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2014 Bonds:

1. principal or interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to the rights of the Holders of the Series 2014 Bonds, if material;
4. optional, contingent or unscheduled calls, if any of the preceding are material, and tender offers;
5. defeasances;
6. rating changes;
7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2014 Bonds or other material events affecting the tax status of the Series 2014 Bonds;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers or their failure to perform;
11. release, substitution or sale of property securing repayment of the Series 2014 Bonds, if material;
12. bankruptcy, insolvency, receivership or similar proceedings described below of the County;
13. appointment of a successor or additional trustee or the change or name of a trustee, if material; or
14. the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the Authority or the County other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(b) An event described in item 12 above of Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County or the

Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of said party, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of said party.

(c) The County shall provide notice of an occurrence of a Listed Event to the MSRB in a timely manner but not more than ten (10) business days after the occurrence of the event. Any notice of Listed Event(s) must be submitted to the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2014 Bonds. In addition, in the event that the Rule shall be amended, modified or repealed such that compliance by the County with its obligations under this Disclosure Certificate no longer shall be required in any or all respects, then the County's obligations under this Disclosure Certificate shall terminate to a like extent. If either such termination occurs prior to the final maturity of the Series 2014 Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the County) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out-of-pocket expenses (including, but not limited to, attorney's fees). The Dissemination Agent (if other than the County) shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the County.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the County may amend or waive any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2014 Bonds, or the type of business conducted; and

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Series 2014 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) The amendment or waiver does not materially impair the interests of Beneficial Owners, as determined either by parties unaffiliated with the Authority (such as Bond Counsel), or by an approving vote of Beneficial Owners pursuant to the terms of the Indenture.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a

change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Dissemination Agent to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the County or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities that it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent is not acting in any fiduciary capacity for the Holders, Beneficial Owners or any other party. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2014 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, the Holders and Beneficial Owners from time to time of the Series 2014 Bonds, and any bond insurer maintaining a financial guaranty insurance policy on the Series 2014 Bonds that is not in default, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one in the same instrument.

Date: \_\_\_\_\_, 2014

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_ [Form only]  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: COUNTY OF ALAMEDA, CALIFORNIA

Name of Bond Issue: Alameda County Joint Powers Authority  
Lease Revenue Bonds, 2014 Series A  
Lease Revenue Bonds, 2014 Series B

Date of Delivery: \_\_\_\_\_, 2014

NOTICE IS HEREBY GIVEN that the County of Alameda, California (the "County") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the County relating to the Bonds. The County anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_ [To be signed only if filed]  
Authorized Officer

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry only system has been obtained from sources that the Authority and the Underwriters believe to be reliable, but neither the Authority nor the Underwriters take responsibility for the accuracy thereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in this Official Statement and in APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

DTC will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2014 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The information on this website is not incorporated herein by this reference.

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014 Bonds, except in the event that use of the book-entry only system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial

Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Neither the County nor the Authority will have any responsibility or obligation to such Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the Series 2014 Bonds. Beneficial Owners of Series 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2014 Bonds may wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments with respect to the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The Authority cannot and does not give any assurances that DTC will distribute to Direct or Indirect Participants, or that Direct or Indirect Participant or others will distribute to the Beneficial Owners (a) payments of principal of, interest and premium, if any, on the Series 2014 Bonds paid or (b) any evidence of ownership or redemption or other notices, or that they will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. Neither the Authority nor the Underwriters are responsible or liable for the failure of DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Series 2014 Bonds or for any error or delay related thereto. The current "Rules" applicable to DTC are on file with the Securities and Exchange

Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The information in this section concerning DTC and DTC’s book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.



\$ \_\_\_\_\_  
**ALAMEDA COUNTY JOINT POWERS AUTHORITY  
LEASE REVENUE BONDS  
(EAST COUNTY HALL OF JUSTICE)  
2014 SERIES [A/B]**

\_\_\_\_\_  
**BOND PURCHASE CONTRACT**  
\_\_\_\_\_

\_\_\_\_\_, 2014

COUNTY OF ALAMEDA, CALIFORNIA  
1221 Oak Street  
Room 555  
Oakland, CA 94612

ALAMEDA COUNTY JOINT POWERS AUTHORITY  
1221 Oak Street  
Room 555  
Oakland, CA 94612

Ladies and Gentlemen:

Siebert Brandford Shank & Co., LLC, on its behalf and as representative (the “Representative”) of [Co-Managers] (collectively, the “Underwriters”), offers to enter into this Bond Purchase Contract (the “Bond Purchase Contract”) with the County of Alameda, California (the “County”) and the Alameda County Joint Powers Authority (the “Authority”) which, upon the Authority’s and County’s acceptance of this offer, will be binding upon the Authority, the County and the Underwriters. The Representative, on behalf of the Underwriters, has been duly authorized to execute this Bond Purchase Contract and to act hereunder. This offer is made subject to the Authority’s and the County’s written 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 Underwriters upon written notice delivered to the Authority and the County by the Representative at any time prior to such acceptance.

All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Preliminary Official Statement (hereinafter defined).

## **1. Purchase Price and Delivery of Bonds.**

(a) Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of \$\_\_\_\_\_ aggregate principal amount of Alameda County Joint Powers Authority Lease Revenue Bonds, 2014 Series [A/B] (the “Bonds”). The Bonds shall be dated the Date of Issue (defined below), and mature on December 1 of the years and in the principal amounts, and bear interest at the rates (payable on June 1 and December 1 in each year, commencing [December 1, 2014]) and shall have the provisions for optional and mandatory sinking fund redemption all as set forth in Schedule A attached hereto and made a part hereof by this reference. The Bonds shall be subject to redemption as set forth in the Official Statement (defined below) and shall in all other respects be the same Bonds described in the Official Statement. The purchase price (the “Purchase Price”) for the Bonds shall be \$\_\_\_\_\_ (consisting of the par amount of the Bonds of \$\_\_\_\_\_ plus original issue premium of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_).

(b) At 8:30 a.m., California time, on \_\_\_\_\_, 2014, or at such earlier or later time or date as shall be agreed by the Authority and the Underwriters (such time and date being herein referred to as the “Date of Issue”), the Authority will cause to be delivered to The Depository Trust Company (“DTC”) in New York, New York, through its book-entry system and for the account of the Underwriters (or such other location as may be designated by the Underwriters and approved by the Authority), the Bonds in the form of a single fully registered Bond for each maturity of the Bonds (which may be typewritten and which shall bear a CUSIP number for each maturity), duly executed by the Authority and authenticated by the Trustee, and will deliver the other documents herein mentioned to the Underwriters at the San Francisco, California offices of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Authority with respect to the Bonds (“Bond Counsel”); and the Underwriters will accept such delivery and pay the Purchase Price of the Bonds as set forth in paragraph (a) of this Section by wire transfer of immediately available funds (such delivery and payment being herein referred to as the “Closing”). Notwithstanding the foregoing, neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Bonds on the Date of Issue in accordance with the terms of this Bond Purchase Contract. Specimen copies of the Bonds shall be made available to the Underwriters not later than one Business Day prior to the Date of Issue for purposes of inspection.

## **2. The Bonds.**

(a) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in, the Indenture, dated as of [July 1, 2014] (the “Master Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of [July 1, 2014] (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The Bonds shall be payable from any source of legally available funds of the Authority.

(b) The Bonds are being issued to: (1) finance a portion of the costs of the design, engineering, site preparation, construction, renovation, retrofitting, furnishing and equipping of the East County Hall of Justice; (2) make a deposit to the Reserve Account; (3) [fund capitalized interest payable with respect to the Bonds on each Interest Payment Date through June 1, 201\_\_]; and (4) pay costs of issuing the Bonds and other incidental costs.

(c) The Bonds are payable solely from, and secured solely by a pledge of and charge and lien upon, the Revenues, consisting primarily of certain rental payments (“Base Rental Payments”) to be made by the County pursuant to, and as defined in, the Facility Lease, dated as of [July 1, 2014] (the “[County/Court] Facility Lease”), between the County and the Authority. Pursuant to a [County/Court] Site Lease, dated as of [July 1, 2014] (the “[County/Court] Site Lease”), between the County and the Authority, the County will lease to the Authority its rights, title and interest in and to the [County/Court] Leased Property. Pursuant to the [County/Court] Facility Lease, the County will lease back the [County/Court] Leased Property from the Authority.

(d) The Base Rental Payments to be made by the County pursuant to the [County/Court] Facility Lease are payable by the County from its General Fund to the Authority for the right by the County to use and occupy the [County/Court] Leased Property for so long as the County has such use and occupancy of the [County/Court] Leased Property. The County has covenanted under the [County/Court] Facility Lease that it will take such action as may be necessary to include the Base Rental Payments in its annual budget and to make the necessary annual appropriations therefor.

(e) Concurrently with the issuance of the Bonds, the Authority will undertake to provide annual reports and notices of certain events relating to the Bonds pursuant to a Continuing Disclosure Certificate pertaining to the Bonds, to be dated the Date of Issue (the “Continuing Disclosure Certificate”). A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

### **3. Public Offering.**

The Underwriters will make an initial *bona fide* public offering of all of the Bonds at not in excess of the initial public offering price or prices, with yield or yields not lower than the yield or yields, as set forth in Schedule 1 attached hereto.

### **4. Financing Documents.**

(a) The sale and issuance of the Bonds, the execution and delivery of this Bond Purchase Contract, the Official Statement, the Indenture, the [County/Court] Facility Lease, the [County/Court] Site Lease, the Agency Agreement, the Continuing Disclosure Certificate, and the other actions contemplated to be taken by the Authority described herein were approved by the Authority in Resolution No. 2014-\_\_ of the Authority (the “Authority Resolution”), adopted on April 22, 2014.

(b) The execution and delivery of the [County/Court] Facility Lease and the [County/Court] Site Lease were approved by the County in Resolution No. 2014-\_\_ of the County (the “County Resolution”), adopted on April 22, 2014.

(c) The Bond Purchase Contract, Indenture, the [County/Court] Facility Lease, the [County/Court] Site Lease, the Agency Agreement, and the Continuing Disclosure Certificate shall be collectively referred to herein as the “Financing Documents.”

## **5. Delivery of Official Statement.**

(a) The Authority has caused to be delivered to the Underwriters an electronic copy of the Preliminary Official Statement related to the Bonds dated \_\_\_\_ \_\_, 2014 (including the cover page and all appendices thereto, the “Preliminary Official Statement”). Until the Official Statement has been prepared and is available for distribution, the Authority shall provide to the Underwriters sufficient quantities of, or continued access to such electronic copy of, the Preliminary Official Statement as the Underwriters deem necessary in order to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement. The Authority hereby ratifies, confirms and approves of the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Authority confirms that the Preliminary Official Statement was “deemed final” as of its date for purposes of Rule 15c2-12 except for omissions permitted by Rule 15c2-12.

(b) Within seven Business Days of the date hereof, and, in the event the Date of Issue is less than seven Business Days after the date hereof and upon request of the Underwriters, in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriters, the Authority hereby agrees to deliver or cause to be delivered to the Underwriters copies of the Official Statement related to the Bonds, dated the date hereof substantially in the form of the Preliminary Official Statement, with only such changes as have been accepted by the Underwriters, including all information previously permitted to be omitted by Rule 15c2-12 and any amendments or supplements thereto approved by the Authority and the Underwriters (the Preliminary Official Statement with such changes, and including the cover page and all appendices thereto, the “Official Statement”), signed on behalf of the Authority. The Underwriters agree to promptly thereafter file a copy of the Official Statement with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system. The Official Statement shall be delivered in sufficient quantity as may reasonably be requested by the Underwriters in order for the Underwriters to comply with Rule 15c2-12 and the rules of the MSRB. The Authority hereby reaffirms its consent to the Underwriters’ use and distribution of the Official Statement in connection with the offer and sale of the Bonds.

## **6. Representations, Warranties and Agreements of the Authority.**

The Authority represents and warrants to and agrees with the Underwriters, that:

(a) The Authority is, and will be on the Date of Issue, an entity duly organized and validly existing pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (the “Act”) and that certain Amended and Restated Joint Exercise of Powers Agreement, dated as of March 18, 2014 (the “Joint Powers Agreement”), by and between the County and the Alameda County Surplus Property Authority, and the Joint Powers Agreement has been duly

authorized, executed and delivered by the parties thereto in accordance with the Act and other applicable provisions of the Constitution and laws of the State of California (the "State") and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

(b) The Authority has full legal right, power and authority to enter into this Bond Purchase Contract, to adopt the Authority Resolution, to enter into the Indenture, the [County/Court] Facility Lease, the [County/Court] Site Lease, and to observe and perform the Authority's covenants and agreements contained herein and therein.

(c) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority: (i) affecting the existence of the Authority or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the payment by the County of the Base Rental Payments; (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Financing Documents; (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (v) contesting the powers of the Authority or any authority for the issuance of the Bonds, the adoption of the Authority Resolution or the execution and delivery of the Financing Documents, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Financing Documents.

(d) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized all necessary action to be taken by it for: (i) the adoption of the Authority Resolution authorizing the execution and delivery of the Financing Documents, the Official Statement and this Bond Purchase Contract and the issuance and sale of the Bonds; (ii) the approval, execution and delivery of, and the performance by, the Authority of the obligations on its part, contained in the Bonds and the Financing Documents; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by it of all other transactions described in the Official Statement, the Financing Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(e) This Bond Purchase Contract has been duly authorized, executed and delivered, and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(f) The Financing Documents to which it is a party, when duly executed and delivered, will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization,

moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(g) The Bonds, when issued, delivered and paid for, in accordance with the Indenture and this Bond Purchase Contract, will have been duly authorized, executed, issued and delivered by the Authority and will constitute the valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and upon the issuance, authentication and delivery of the Bonds as aforesaid, the Indenture will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge and lien it purports to create as set forth therein.

(h) The Authority makes no representation or warranty that interest on the Bonds is or will continue to be exempt from federal or state income taxation.

(i) The Authority is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the Authority has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing.

(j) The execution and delivery of the Financing Documents to which it is a party and the adoption of the Authority's Resolution, and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets are 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 property or assets of the Authority to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture.

(k) The Authority represents and warrants to the Underwriters (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds at the Closing that the Authority shall so represent and warrant) that, for the purposes of Rule 15c2-12, as of the date of the Preliminary Official Statement, the Authority deemed the Preliminary Official Statement "final" as that term is used in paragraph (b)(1) of Rule 15c2-12. Within seven (7) business days after the date hereof and in sufficient time to accompany any confirmation that requests payment for any customer, the Underwriters shall receive from the Authority copies of the final Official Statement in sufficient quantity to enable the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and rules of the MSRB.

(l) The statements contained in the Preliminary Official Statement as of its date does not, and the Official Statement as of its date will not, and if supplemented or amended, as of the date of any such supplement or amendment, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; excluding in each case any information contained therein relating to DTC or its book-entry only system; CUSIP numbers of the Bonds; information contained therein describing the investment policy of the County of Alameda, its current portfolio holdings, and valuation procedures (as they relate to funds of the Authority held by the Treasurer-Tax Collector of the County of Alameda (the “Treasurer-Tax Collector”)); information provided by the Underwriters regarding CUSIP numbers or the prices or yields at which the Bonds were re-offered to the public, and information under the caption “UNDERWRITING,” as to all of which the Authority expresses no view.

(m) The Authority agrees that, for a period of 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12), if any event of which it has actual knowledge occurs which might cause the information in the Official Statement as then in existence to contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, the Authority shall promptly notify the Representative in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of the Underwriters, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, and if the Underwriters shall have so advised the Authority, the Authority shall forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the Authority, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading. The Authority shall promptly advise the Underwriters of the commencement of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. Unless the Underwriters otherwise advise the Authority that the end of the underwriting period shall be another specified date, the end of the underwriting period shall be the Date of Issue.

(n) The Authority will undertake, pursuant to the Indenture and the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

(o) The Authority will furnish such information and execute such instruments and take such action in cooperation with the Underwriters, at no expense to the Authority, as the Underwriters may reasonably request to: (i)(1) qualify the Bonds for offer and sale under the

Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate, and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (ii) continue such qualifications in effect for so long as required for the distribution of the Bonds (provided, however, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(p) The Authority has, and has had, no financial advisory relationship with the Underwriters with respect to the Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriters.

(q) The purchase and sale of the Bonds pursuant to this Bond Purchase Contract is an arm's-length commercial transaction between the Authority and the Underwriters.

(r) [In connection with such arm's-length commercial transaction, the Underwriters are acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Authority].

(s) The Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or are currently advising the Authority on other matters) or any other obligation to the Authority except the obligations expressly set forth in this Bond Purchase Contract.

(t) The Authority has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

(u) The Authority acknowledges that it has previously provided the Underwriters with an acknowledgement of receipt of the required Underwriters' disclosure under rule G-17 of the MSRB.

## **7. Representations, Warranties and Agreements of the County.**

The County hereby represents, warrants and agrees as follows:

(a) The County is, and will be on the Date of Issue, a political subdivision of the State organized and operating pursuant to the laws of the State.

(b) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly authorized all necessary action to be taken by it for: (i) the adoption of the County Resolution authorizing the execution and delivery of the Financing Documents, the Official Statement and this Bond Purchase Contract and the issuance and sale of the Bonds; (ii) the approval, execution and delivery of, and the performance by the County of the obligations on its part, contained in the Bonds and the Financing Documents to which it is a



party; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by it of all other transactions described in the Official Statement, Financing Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the County in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(c) This Bond Purchase Contract has been duly authorized, executed and delivered, and constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(d) The Financing Documents to which it is a party, when duly executed and delivered, will constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(e) The County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the County has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the County under any of the foregoing.

(f) The execution and delivery of the Financing Documents to which it is a party and the adoption of the County Resolution, and compliance with the provisions on the County's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its property or assets are 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 property or assets of the County to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture.

(g) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the County, threatened against the County: (i) affecting the existence of the County or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the payment of the Base Rental Payments; (iii) in any way contesting or affecting the validity or enforceability of the Financing Documents; (iv) contesting in any way the completeness or accuracy of the Preliminary Official

Statement or the Official Statement or any supplement or amendment thereto; or (v) contesting the powers of the County or any authority for the adoption of the County Resolution or the execution and delivery of the Financing Documents, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Financing Documents.

(h) The Preliminary Official Statement, as supplemented and amended through the date hereof (excluding therefrom information relating to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the County's acceptance hereof and at all times subsequent thereto during the period up to and including twenty-five (25) days after the end of the underwriting period, the Official Statement (including as then amended or supplemented) (excluding therefrom information related to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made) did not and will not contain any untrue statement of a material fact or omit to state any 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.

(j) If between the date hereof and the date which is twenty-five (25) days after the end of the underwriting period for the Bonds, an event occurs which might or would cause the information contained in the Official Statement (excluding therefrom information relating to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the County will notify the Representative, and, if in the opinion of the Representative, the County or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriters (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to paragraph (j) of this Section 7, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date that is twenty-five (25) days after the end of the underwriting period of the Bonds, the Official Statement as so supplemented or amended (excluding therefrom information relating to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

(l) The County has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture.

(m) The County will furnish such information and execute such instruments and take such action in cooperation with the Underwriters, at no expense to the County, as the Underwriters may reasonably request to: (i)(1) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate, and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (ii) continue such qualifications in effect for so long as required for the distribution of the Bonds (provided, however, that the County will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the County of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(n) The financial statements of, and other financial information regarding the County in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the County as of the dates and for the periods therein set forth. The financial statements of the County have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the County's audited financial statements included in the Preliminary Official Statement and in the Official Statement.

(o) Prior to the Closing, the County will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the County.

(p) The County will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriters.

(q) Any certificate, signed by any official of the County authorized to do so in connection with the transactions described in this Bond Purchase Contract, shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein.

(r) The County has not failed during the previous five (5) years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c-12.

## **8. Termination Events.**

The Underwriters may terminate this Bond Purchase Contract by notification in writing or by telecopy to the Authority and County if, at any time subsequent to the date hereof and on or prior to the Date of Issue, the market price or marketability (at the initial offering prices set forth in the Official Statement) of the Bonds shall have been materially adversely affected, in the reasonable judgment of the Representative (evidenced by a written notice to the Authority from the Representative terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation shall have been enacted or introduced in either House of the Congress of the United States or in the legislature of the State of California or recommended for passage by the President of the United States or the Governor of the State of California, as the case may be, or a decision rendered by a court established under Article III of the Constitution of the United States or under the Constitution of the State of California, as the case may be, or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official or staff statement issued or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or any agency, commission or instrumentality of the State of California, with the purpose or effect, directly or indirectly, of imposing federal income taxation or State of California personal income taxation, respectively, upon the interest as would be received by the holders of the Bonds or obligations of the general character of the Bonds;

(2) any legislation shall have been enacted or any action shall have been taken by the Securities and Exchange Commission or a court of competent jurisdiction, which has the effect of requiring registration of the Bonds under the 1933 Act, or the Indenture, or any other document executed in connection with the transactions contemplated herein, to be qualified under the Trust Indenture Act (as defined below);

(3) (i) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency, or (ii) there shall have occurred any other outbreak of hostilities, local, national or international, or an escalation thereof, the effect of which on the financial markets of the United States is such as would, in the reasonable opinion of the Underwriters, affect materially and adversely the ability of the Underwriters to market the Bonds;

(4) there shall have occurred (i) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or a payment default on United States Treasury obligations;

(5) there shall have occurred a general suspension of trading on the New York Stock Exchange or additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations shall have been imposed which, in the reasonable judgment of the Underwriters, materially adversely affects the market for the Bonds;

(6) a general banking moratorium shall have been declared by federal or New York or California state authorities or a major financial crisis or a material disruption in

commercial banking shall have occurred which, in the reasonable judgment of the Underwriters, materially adversely affects the market for the Bonds;

(7) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds is in violation or would be in violation of any provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(8) any new restriction on transactions in securities materially affecting the market for the Bonds (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order;

(9) there shall have occurred any event or condition that, in the reasonable judgment of the Underwriters, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, or which requires that information not reflected in such Official Statement should be reflected therein in order to make the statements and information contained therein not misleading in any material respect as of such time; provided that the Authority and the Underwriters will use their best efforts to amend or supplement the Official Statement to reflect, to the satisfaction of the Underwriters, such changes in or additions to the information contained in the Official Statement;

(10) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service rating the Bonds; or

(11) subsequent to the date of this Bond Purchase Contract, there shall have occurred any materially adverse change in the affairs or financial conditions of the County or the Authority, except for changes which the Official Statement discloses are expected to occur.

If the Authority shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Bond Purchase Contract or if the Underwriters' obligations shall be terminated for any reason permitted herein, this Bond Purchase Contract shall terminate and neither the Underwriters nor the Authority or County shall have any further obligation hereunder except as provided in Section 11 hereof.

## **9. Closing Conditions of the Underwriters.**

The obligation of the Underwriters to accept delivery of and pay for the Bonds on the Date of Issue shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations, warranties and agreements on the part of the Authority contained herein as of the date hereof and as of the Date of Issue, to the accuracy in all material respects of

the statements of the officers and other officials of the Authority and the County made in any certificates or other documents furnished pursuant to the provisions hereof, and to the performance by the Authority of its obligations to be performed hereunder, at or prior to the Date of Issue and to the following additional conditions:

(a) The representations and warranties of the Authority and the County contained herein shall be true, complete and correct on the date hereof and on and as of the Date of Issue, as if made on the Date of Issue.

(b) At the Date of Issue, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters.

(c) At or prior to the Date of Issue, the Underwriters shall have received the following documents, in each case satisfactory in form and substance to the Underwriters:

(1) the Financing Documents, 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 Underwriters;

(2) an approving opinion of Bond Counsel relating to the Bonds, dated the Date of Issue and addressed to the Authority, in substantially the form attached to the Official Statement, together with a reliance letter addressed to the Underwriters and the Trustee;

(3) a supplemental opinion of Bond Counsel relating to the Bonds, dated the Date of Issue and addressed to the Underwriters, in substantially the form attached hereto as Exhibit A;

(4) the opinion of the general counsel to the Authority (“Counsel to the Authority”), dated the Date of Issue , and addressed to the Underwriters and the Trustee , in substantially the form attached hereto as Exhibit B;

(5) the opinion of the general counsel to the County (“Counsel to the County”), dated the Date of Issue and addressed to the Underwriters and the Trustee, dated the Date of Issue, in substantially the form attached hereto as Exhibit C;

(6) an opinion of Curls Bartling, P.C., as disclosure counsel to the Authority and the County, dated the Date of Issue, addressed to the Authority, the County and the Underwriters, in substantially the form attached hereto as Exhibit D;

(7) an opinion of counsel to the Trustee, dated the Date of Issue, addressed to the Authority, the County and the Underwriters, in substantially the form attached hereto as Exhibit E;

(8) the opinion of [Amira Jackmon], counsel to the Underwriters (“Underwriters’ Counsel”), dated the Date of Issue, addressed to the Underwriters, in substantially the form attached hereto as Exhibit F;

(9) certified copies of each of the Authority Resolution and County Resolution;

(10) [satisfactory evidence that the Bonds have been rated “\_\_” by Standard & Poor’s Rating Services, “\_\_” by Fitch, Inc. and “\_\_” by Moody’s Investors Service, Inc.];

(11) two copies of the Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by its President and the County by its [Assistant County Administrator];

(12) a certificate, dated the Date of Issue and signed by an authorized official of the Authority, to the effect that (a) no event affecting the Authority has occurred since the date of the Official Statement that would cause as of the Date of Issue any statement or information concerning the Authority contained in the Official Statement under the captions “INTRODUCTION – The Authority,” “ABSENCE OF LITIGATION” and “APPENDIX A – THE COUNTY OF ALAMEDA,” as such information relates to the Authority, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made concerning the Authority, in the light of the circumstances under which they were made, not misleading, and (b) the representations of the Authority set forth in Section 6 hereof are true and correct as of the Date of Issue;

(13) a certificate, dated the Date of Issue and signed by an authorized official of the County, to the effect that (a) no event affecting the County has occurred since the date of the Official Statement that would cause as of the Date of Issue any statement or information concerning the County contained in the Official Statement under the captions INTRODUCTION – The Authority,” “ABSENCE OF LITIGATION” and “APPENDIX A – THE COUNTY OF ALAMEDA” as such information relates to the County, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made concerning the County, in the light of the circumstances under which they were made, not misleading, and (b) the representations of the County set forth in Section 7 hereof are true and correct as of the Date of Issue;

(14) a certificate, dated the Date of Issue, signed by a duly authorized official of the Trustee, to the effect that: (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture; (ii) the Trustee is duly authorized to enter into the Indenture and the Trustee has duly executed and delivered the Indenture; (iii) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), 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 held by the Trustee pursuant to the Indenture 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 Indenture; and (iv) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, as such but not in its individual capacity, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of Revenues to be applied to pay the principal, premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority 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 Indenture; and

(15) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Authority with legal requirements, the truth and accuracy, as of the Date of Issue, of the representations of the Authority contained herein, and the due performance or satisfaction by the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority.

#### **10. Representations of the Underwriters.**

The Underwriters represent to the Authority that:

(a) The Underwriters will make a *bona fide* public offering of the Bonds in compliance with applicable state and federal laws, subject to the terms and conditions of this Bond Purchase Contract;

(b) The Underwriters have the corporate power and the authority necessary to enter into this Bond Purchase Contract and to perform its covenants, obligations and undertakings hereunder; and



(c) When executed and delivered by the other parties hereto, this Bond Purchase Contract will constitute a valid, binding and enforceable obligation of the Underwriters in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally, by the availability of equitable remedies, by applicable securities laws and by the exercise of judicial discretion.

#### **11. Expenses.**

All reasonable expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including printing costs associated with the Preliminary Official Statement and the Official Statement, fees and expenses of accountants, financial advisors and consultants, fees and expenses for Bond ratings (including all necessary expenses for travel), any fees relating to blue sky filings, reasonable fees and expenses of Bond Counsel, the financial advisor to the Authority and Counsel to the Authority, shall be paid by the Authority. All fees and expenses to be paid by the Authority pursuant to this Bond Purchase Contract may be paid from Bond proceeds to the extent permitted by the Indenture. All out of pocket expenses of the Underwriters, including travel and other expenses (but excluding travel and related expenses of Authority or County representatives) and the fees and expenses of its counsel, shall be paid by the Underwriters.

#### **12. Notices.**

Any notice or other communication to be given to the Authority and the County under this Bond Purchase Contract may be given by delivering the same in writing at the Authority's and the County's address set forth above to the attention of the County Administrator in the case of the County and to the attention of the President in the case of the Authority, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Representative or to the Underwriters at: Siebert Brandford Shank & Co., LLC, 1999 Harrison Street, Suite 2720, Oakland CA 94612 Attn: Peter Wong. The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriters and delivered to you.

#### **13. Parties.**

This Bond Purchase Contract is made solely for the benefit of the Representative and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All your representations, warranties and agreements in this Bond Purchase Contract shall remain operative and in full force and effect, regardless of any investigation made by or on behalf the Underwriters, and delivery of and payment for the Bonds hereunder.

#### **14. Counterparts.**

This Bond Purchase Contract may be executed in any number of counterparts and all such counterparts shall together constitute one and the same instrument.

**15. Underwriters Not Fiduciaries.**

The Authority and the County acknowledge and agree that: (i) the primary role of the Underwriters is to purchase the Bonds for resale to investors in an arm's length, commercial transaction among the Authority, the County and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as municipal advisors, financial advisors, agents or fiduciaries to the Authority or the County; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Authority or the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriters have provided other services or are currently providing other services to the Authority or the County on other matters); (iii) the only obligations the Underwriters have to the Authority and the County with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Contract (provided that nothing in this clause shall be construed to eliminate any state law requirement of good faith and fair dealing between parties to a commercial transaction); (iv) the Authority and the County have consulted with their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate; and (v) the Underwriters have financial and other interests that differ from those of the Authority and the County. The Authority and the County have engaged Public Financial Management, Inc., and TKG & Associates LLC to act as registered municipal advisors in this transaction.

**16. Severability.**

Each provision of this Bond Purchase Contract shall be construed to preserve its validity and enforceability to the extent possible. In the event any provision of this Bond Purchase Contract is declared void, invalid, or unenforceable, the party who would have the provision enforced shall be entitled to elect whether (1) the provision should be modified to the extent necessary to make it valid and enforceable, or (2) the provision shall be deemed not to be a part of this Bond Purchase Contract.

**17. Governing Law.**

This Bond Purchase Contract shall be construed in accordance with and governed by the Constitution and the laws of the State of California applicable to contracts made and performed in the State of California.

Upon the execution of the acceptance hereof by Authorized Officers of the Authority and the County as defined in the Indenture and delivery of same to the Underwriters prior to 11:59 p.m., California time on the date hereof, this Bond Purchase Contract shall become effective, valid, binding and enforceable.

BY: SIEBERT BRANDFORD SHANK & CO., LLC,  
as Representative of the Underwriters

By: \_\_\_\_\_  
Authorized Signatory

Accepted and Agreed to:

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_  
Authorized Officer

ALAMEDA COUNTY JOINT POWERS AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE A  
TO BOND PURCHASE CONTACT**

**SCHEDULE OF MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST  
RATES, YIELDS AND PRICES**

**ALAMEDA COUNTY JOINT POWERS AUTHORITY  
LEASE REVENUE BONDS  
(EAST COUNTY HALL OF JUSTICE)  
2014 Series [A/B]**

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
	\$ _____	Serial Bonds		

## **OPTIONAL AND MANDATORY SINKING FUND REDEMPTION PROVISIONS**

Optional Redemption. The Series 2014 Bonds are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available funds, in whole or in part (and if in part, in such order of maturity as specified by the Authority), on any date on or after December 1, 20\_\_, at a redemption price equal to 100 percent of the principal amount of the Series 2014 Bonds called for redemption plus accrued interest to the date fixed for redemption.

Mandatory Redemption. [The Series 2014 Bonds are not subject to mandatory sinking fund redemption prior to maturity.]

**EXHIBIT A**  
**BOND PURCHASE CONTRACT**

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

**EXHIBIT B TO  
BOND PURCHASE CONTRACT**

FORM OF OPINION OF COUNSEL TO THE AUTHORITY

SCHEDULE A



**EXHIBIT C TO  
BOND PURCHASE CONTRACT**

FORM OF OPINION OF COUNSEL TO THE COUNTY

SCHEDULE A

**EXHIBIT D TO  
BOND PURCHASE CONTRACT**

FORM OF OPINION OF DISCLOSURE COUNSEL

**EXHIBIT E TO  
BOND PURCHASE CONTRACT**

**FORM OF OPINION OF COUNSEL TO THE TRUSTEE**

**EXHIBIT F TO**  
**BOND PURCHASE CONTRACT**  
FORM OF UNDERWRITERS' COUNSEL OPINION

APPENDIX A – DEFINED TERMS

**“2014A Additional Payments”** means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 of the County Facility Lease.

**“2014B Additional Payments”** means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 of the Facility Leases.

**“2014A Base Rental Payment Schedule”** means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the County Facility Lease and attached to the Facility Leases as Exhibit B.

**“2014A Base Rental Payment Schedule”** means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the Court Facility Lease and attached to the Facility Leases as Exhibit B.

**“2014A Base Rental Payments”** means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the County Facility Lease.

**“2014B Base Rental Payments”** means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the Court Facility Lease.

**“2014 Bonds”** means the 2014 Series A Bonds and the 2014 Series B Bonds.

**“2014 Capitalized Interest Account”** means an account by that name established in the Interest Account pursuant to Section 5.03 pursuant to a Supplemental Indenture.

**“2014 Costs of Issuance Account”** means the costs of issuance account created pursuant to Section \_\_\_ of the [First] Supplemental Indenture.

**“2014 Continuing Disclosure Agreement”** means, with respect to the 2014 Bonds, the Continuing Disclosure Agreement, dated the date of issuance and delivery of the 2014 Bonds, executed by the County and the Trustee, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“2014B Interest Subaccount”** means the account created by Section 15.01 of the [Second] Supplemental Indenture.

**“2014A Lease Payment Obligations”** means together (i) the Lease Payments; and (ii) Additional Rental Payments.

**“2014B Lease Payment Obligations”** means together (i) the Lease Payments; and (ii) Additional Rental Payments.

**“2014B Principal Subaccount”** means the account created by Section 15.02 of the [Second] Supplemental Indenture.

**“2014 Project”** means the acquisition, installation, implementation and construction of the Alameda East County Hall of Justice, and payment of any costs associated with financing of said project, as set forth in Exhibit C to the Facility Lease as the same may be changed from time to time, in accordance with Section 3.07 of the Facility Lease, by the County by filing a Certificate of the County with the Trustee.

**“2014A Reserve Account”** means the account created pursuant to Section [ ] of the First Supplemental Indenture.

**“2014B Reserve Account”** means the account created pursuant to Section [ ] of the Second Supplemental Indenture.

**“2014 Series A Bonds”** means the Bonds designated “Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A” issued by the Authority under and pursuant to Section 2.01 of the Master Indenture and Section [ ] of the First Supplemental Indenture.

**“2014 Series B Bonds”** means the Bonds designated “Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A” issued by the Authority under and pursuant to Section 2.01 of the Master Indenture and Section [ ] of the First Supplemental Indenture.

**“Accreted Interest”** means, with respect to Capital Appreciation Bonds, as of the date of calculation, the Accreted Value thereof minus the Denominational Amount thereof.

**“Accreted Value”** means, with respect to Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery at the interest rate thereof on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, as determined in accordance with the Supplemental Indenture authorizing such Bonds, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of three hundred sixty (360) days composed of twelve (12) months of thirty (30) days each.

**“Act”** means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.

**“Additional Bonds”** means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III of the Master Indenture.

**“Additional Payments”** means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to a Facility Lease.

[**“AOC Parties”** or **“AOC Party”** means the Council and the AOC and their respective officers, agents, and employees.

**“AOC”** means the Judicial Council of California, an entity established by the Constitution of the State of California, acting by and through the Administrative Office of the Courts, the staff agency to the Judicial Council of California.]

**“Architects”** means the architects, engineers or designers of any Project or portion thereof, and any successor or successors to any thereof.

**“Authority”** means the Alameda County Joint Powers Authority created pursuant to the Act and its successors and assigns in accordance herewith.

**“Authorized Denominations”** means with respect to a Series of Bonds the meaning set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds. **“Authorized Denominations”** means, with respect to the 2014 Series A Bonds and 2014 Series B Bonds, \$5,000 or any integral multiple thereof.



**“Base Rental Payment Schedule”** means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the Facility Leases and attached to the Facility Leases as Exhibit B.

**“Base Rental Payments”** means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the Facility Leases.

**“Bond Counsel”** means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.

**“Bond Indenture”** means the Master Indenture as supplemented by the [First Supplemental Indenture and the Second Supplemental Indenture].

**“Bond Trustee”** means the trustee, and its successors and assignees, retained by the County or the Issuer in connection with the Bonds.

**“Bond Year”** means the twelve (12)-month period ending on \_\_\_\_\_ 1 of each year to which reference is made.

**“Bondholder or “Owner”** means any person who shall be the registered owner of any Outstanding Bond.

**“Bonds”** means any or all of the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice) authorized under and secured by this Indenture.

**“Business Day”** means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California is authorized to remain closed, or a day on which the Federal Reserve system is closed.

**“Capital Appreciation Bonds”** means Bonds the interest on which is compounded semiannually on each Interest Payment Date and paid at maturity as specified in the accreted value table for such Bonds in an exhibit to a Supplemental Indenture.

**“Capitalized Interest Account”** means an account by that name established in the Interest Account pursuant to Section 5.03 pursuant to a Supplemental Indenture.

**“Certificate of the Authority”** means an instrument in writing signed by any of the following officials of the Authority: President, Vice President, Secretary, Assistant

Secretary, [or Treasurer] of the Authority, or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

**“Certificate of the County”** means an instrument in writing signed by any of the following County officials: President or Secretary of the Board of Supervisors of the County, County Administrator or Assistant County Administrator, or by any such officials’ duly appointed designee, or by any other officer of the County duly authorized by the Board of Supervisors of the County for that purpose.

**“Civil Assessment Annual Amount”** means the sum of Two Million Dollars (\$2,000,000) per Fiscal Year.

**“Civil Assessment Revenues Additional Amount”** means the Civil Assessment Annual Amount for each Fiscal Year (or prorated for any portion of a Fiscal Year) following 2012-2013 Fiscal Year and ending on the Cut-Off Date.

**“Civil Assessment Revenues Balance”** means the Civil Assessment Revenues retained by the State Parties as of June 30, 2013 in the estimated amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

**“Civil Assessment Revenues Equity Contribution”** means the amount of the Civil Assessment Revenues Balance plus the Civil Assessment Revenues Additional Amount contributed by the State Parties as a portion of the Other Equity.

**“Civil Assessment Revenues”** means the gross amount of all civil assessment revenues collected by or on behalf of the Court in each fiscal year in accordance with Penal Code Section 1214.1 net of the costs of collecting the Civil Assessment Revenues that are permitted to be reimbursed to the Party that performs the collection services under the guidelines of the State Controller.

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

**“Continuing Disclosure Agreement”** means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under S.E.C. Rule 15c2-12, the Continuing Disclosure Agreement, dated the date of issuance and delivery of such Series of Bonds, executed by the County and the Trustee, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Contractors”** means the construction contractor for any portion of the 2014 Project or any Subsequent Project and any successor or successors to any thereof.

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

**“County Board of Supervisors”** means the Board of Supervisors of the County of Alameda, State of California.

**“County Bonds”** means the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A and any lease revenue bonds, certificates of participation, or other forms of indebtedness issued to refinance such bonds.

[**“County Building Parcel”** means as defined in the LPA and generally depicted on the Preliminary Site Plan Real Property Parcel Diagram, attached as **Exhibit “B”**, in the area marked in red, labeled “2. County Exclusive Use Area-County Owned”.

**“County Building Parcel”** means the legal parcel of Real Property improved by the County Building, grounds, and Shared Square Footage County, generally depicted on the Preliminary Site Plan and Real Property Parcel Diagram, attached as **Exhibit “B”**, in the area marked in red, labeled “2. County Exclusive Use Area-County Owned”.

**“County Building”** means all spaces, rooms and areas, including all related equipment, systems, fixtures and improvements that exclusively serve the County Building, contained within the approximately 42,284 gross square foot two-story office building built on the Land and to be exclusively occupied and used by the County, which may include the District Attorney, Public Defender, Probation, and space for Board of Supervisors.

**“County Building”** means as defined in the LPA.]

**“County Demised Premises”** means that certain real property consisting of the Existing Facilities Demised Premises and the East County Hall of Justice Demised Premises situated in the County of Alameda, State of California, described in Exhibit A attached to the County Facility Lease and made a part of the County Facility Lease, together with any additional real property added thereto by any supplement or amendment to the County Facility Lease; subject, however, to any conditions, reservations, and easements of record or known to the County.

[**“County Designated Parking Area”** means the separate and designated parking area shown as Area 1 on the Parking Plan attached as **Exhibit “F”** to the LPA, including a total

of approximately [230] unsecured, paved, surface parking spaces available for exclusive use by the County, its employees and staff, and County visitors. For the sake of clarity, the Parties acknowledge that the number of parking spaces or stalls in the County Designated Parking Area are only an estimate and may not precisely correlate to the actual number of spaces in the County Designated Parking Area when construction is complete. ]

**“County Facility Lease”** means that certain lease between the Authority, as lessor and County, as lessee with respect to the County Bonds.

**“County Facility”** means the County Building and the County Designated Parking Area. In connection with the County’s use and occupancy of the County Facility, the County shall have the non-exclusive right together with the AOC to use the Common Areas, which Common Areas includes the non-exclusive right of the County to enter, exit, pass over, and pass through the Exclusive Use Areas AOC, as necessary to access, use, operate, maintain, repair, and improve the County Facility consistent with this LPA.

**“County Property”** means the legal parcels of Real Property to be owned in fee by the County following the Transfer of Title pursuant to Article 12 of this LPA, including the County Building Parcel, the County Designated Parking Area, and the Easement Parcels AOC.

**“County Site Lease”** means that certain lease made and entered into by and between the County, as lessor, and the Authority as lessee, in connection with the County Bonds.

**“County”** means the County of Alameda, California, a body corporate and politic and a political subdivision of the State of California.

**[“Court Designated Parking Area Parcels”** means the legal parcels of the Real Property constituting the Court Designated Parking Area in the general areas depicted in blue on the Preliminary Site Plan and Real Property Parcel Diagram, attached here to as **Exhibit “B”**. The Judges Parking Area is included in the Courthouse Parcel.

**“Court Demised Premises”** means that certain real property consisting of the Existing Facilities Demised Premises and the East County Hall of Justice Demised Premises situated in the County of Alameda, State of California, described in Exhibit A attached to the Court Facility Lease and made a part of the Court Facility Lease, together with any additional real property added thereto by any supplement or amendment to the Court Facility Lease; subject, however, to any conditions, reservations, and easements of record or known to the County.

**“Court Designated Parking Area”** means the one or more separate and designated parking areas on the Land shown in Areas 2, 3, 4, 5, and 7 on the Parking Plan attached as **Exhibit “F”** to the LPA, including approximately [27] secured spaces for judge parking in the Judges Parking Area, and approximately [538] unsecured, paved surface parking

spaces available for the exclusive use by AOC employees and staff, judges, court visitors, law enforcement, and the public, and all related equipment, systems, fixtures, and improvements that exclusively serve the Court Designated Parking Area.]

“**Court Facility Bonds Debt Service**” means the principal and interest payments due on the Court Facility Bonds.

“**Court Facility Bonds**” means the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series B and any lease revenue bonds, certificates of participation, or other form of indebtedness issued to refinance such bonds.

“**Court Facility Lease**” means that certain lease between Authority, as lessor and County, as lessee, with respect to the Court Facility Bonds.

“**Court Site Lease**” means that certain lease made and entered into by and between the County, as lessor, and the Authority, as lessee, in connection with the Court Facility Bonds.

“**Court Facility**” means the Courthouse Building and the Court Designated Parking Area. In connection with the AOC’s lease of the Court Facility, AOC shall have the non-exclusive right together with the County to use and occupy the Common Areas, and the non-exclusive right of the AOC and the Court to enter, exit, pass over, and pass through designated areas of the Exclusive Use Areas County, only as necessary to access, use, operate, maintain, repair, and improve the Court Facility consistent with this LPA.

“**Court Facility**” means the Courthouse Building and the Court Designated Parking Area together with the non-exclusive right to use and occupy the Common Areas as provided in the LPA.

“**Court**” means the Superior Court of California, County of Alameda.

“**Courthouse Building**” means all spaces, rooms, and areas, including all related equipment, systems, fixtures and improvements that exclusively serve the Courthouse Building, contained within the approximately 146,331 gross square feet, five-story building to be exclusively occupied and used by the AOC, including: all spaces, rooms, fixtures, appurtenances, and improvements described in Section 70301(d)(1)-(6) of the Act, which will include thirteen (13) courtrooms for holding superior court, thirteen (13) chambers for Judicial Officers, spaces for secure holding of prisoners attending Court sessions, all together with secure means of transferring the prisoners to and from the courtrooms, administrative support space, the Court OIT Space (whether or not in a separate building).

“**Courthouse Construction Funds Amount**” means the amount equal to all of the Courthouse Construction Funds generated each Fiscal Year during the term of the LPA, which amount is to be deposited with the Bond Trustee as described in Section 5.2 of the LPA. Pursuant to Alameda County Board of Supervisors Resolution R-2004-262, the County pledged

the Courthouse Construction Funds as a source of funding for the repayment of the Court Facility Bonds.

**“Courthouse Construction Funds Equity Contribution”** means the amount of Courthouse Construction Funds held by the County comprising a portion of the Other Equity Funds pursuant to Section 2.4.2.2. of the DDA.

**“Courthouse Construction Funds”** means the funds deposited into the Courthouse Construction Fund established by the County pursuant to Government Code Section 76100.

**“Courthouse Construction Funds Account”** means the account created by Section 15.05 of the [Second] Supplemental Indenture.

**“Courthouse Parcel”** means the legal parcel of Real Property improved by the Courthouse Building, grounds, Judges Parking Area, and Shared Square Footage Court, in the general area depicted on the Preliminary Site Plan and Real Property Parcel Diagram attached to the LPA as **Exhibit “B”**, in the area marked in blue, labeled “1. Court Exclusive Use-State Owned”.

**“Current Interest Bonds”** means Bonds the interest on which is payable on each Interest Payment Date to the maturity date for each such Bond.

**“Cut-Off Date”** means as defined in the LPA.

**“Debt Service”** means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or other period on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds so long as such funded interest is in an amount equal to the gross amount necessary to pay such interest on the Bonds and is invested in Government Securities which mature no later than the related Interest Payment Date), (2) the principal amount of all Outstanding Serial Bonds maturing during such Fiscal Year or other period, and (3) the principal amount of all Outstanding Term Bonds required to be redeemed or paid (together with the redemption premiums, if any, thereon) during such Fiscal Year or other period; provided, that the foregoing shall be subject to adjustment and recalculation as follows.

(a) with respect to Capital Appreciation Bonds, the Accreted Value payment shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond; and

“**Demised Premises**” means the County Demised Premises and the Court Demised Premises.

“**Denominational Amount**” means, with respect to Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

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

[“**Design-Build Agreement**” means the written agreement between the County and the Design-Builder for the design, construction, and completion of the East County Hall of Justice Project, including all documents incorporated therein, documents provided by the Design-Builder pursuant to the Design-Build Agreement and the Final Design.]

“**Dissemination Agent**” means the County or any successor appointed under the Continuing Disclosure Agreement.

“**DOF**” means the California Department of Finance, an agency of the State.

“**DTC**” means The Depository Trust Company, New York, New York.

“**Easement Agreements**” means collectively, the easements and other rights granted by the County to the State to benefit the one or more of the Exclusive Use Areas AOC Parcels and granted by the State to the County to benefit one or more of the Exclusive Use Areas County, pursuant to the terms and conditions of the LPA and, after the Transfer of Title, the Building Common Areas Agreement and Land Areas Agreement in the forms attached hereto as **Exhibits “J”** and **“K”** to the LPA, respectively, and Other Easement Agreements recorded concurrently with the recordation of the Grant Deed all as provided for and further described in the LPA.

“**East County Hall of Justice Project**” or “**Project**” means the planning, design, development, financing, construction, and completion of the East County Hall of Justice for the AOC and the County’s exclusive and non-exclusive occupancy and use, as provided in this DDA and the Lease-Purchase Agreement. The East County Hall of Justice Project will be comprised of approximately 196,219 gross square feet, together with all infrastructure, Parking Areas, Common Areas, and related grounds, landscaping, utility service connections, and any other improvements on or to the Land, all as depicted in the general locations on the Preliminary Site Plan and Real Property Parcel Diagram, attached hereto as **Exhibit “B”**. The Parties acknowledge that because of the nature and small scale of the Preliminary Site Plan and Real Property Parcel Diagram, such site plan does not illustrate infrastructure and distribution systems. For the sake of further clarity, the Parties acknowledge that such East County Hall of

Justice building square footage in total and for the Courthouse Building, County Building, Shared Square Footage, and Common Areas and the Project Cost Formula derived therefrom, may not precisely correlate to the East County Hall of Justice building square footage set forth in the Design-Build Agreement or the actual, as-built East County Hall of Justice building square footage due to possible differences arising from the application of cost control mechanisms, value engineering, calculation methods, rounding, Field Directives, or Change Orders. The County acknowledges that the State Parties are not authorized to exceed either the maximum building square footage of the Court Facility or the State Project Cost pursuant to the Project Budget without the approval of the Judicial Council and the State legislature and absent such approvals the State Parties may be forced to reduce the scope or modify the quality of the Court Facility.

**“East County Hall of Justice”** means the real property and improvements situated at \_\_\_\_\_, including the 2014 Project to be constructed thereon, in an unincorporated area of the County of Alameda, California, as more fully described in Exhibit A to the Facility Lease.

**“Event of Default”** shall have the meaning specified in Section 6.01 of the Facility Leases or 7.01 of the Indenture, as applicable.

**“Facilities”** shall mean the Court Facility and the County Facility.

**“Facility Lease”** means each facility lease, dated as of \_\_\_\_\_ 1, 2014, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof and of the Indenture, including the Court Facility Lease and the County Facility Lease.

**“Financing Agreements”** means the Court Facility Bonds and those agreements, instruments, schedules (including schedules for the County’s payments to the Issuer in respect of the Court Facility Bonds), and other documents, that have been, or will be, entered into, by the Issuer, the County, the Bond Trustee, or the bond insurer, if any, including its successors and assigns (the **“Bond Insurer”**), and by which the County is, or will be, bound in connection with the Court Facility Bonds, including but not limited to that certain bond indenture (the **“Bond Indenture”**), the Site Lease, and the Facility Lease; provided, however that neither the LPA nor the DDA is a Financing Agreement.

**“First Supplemental Indenture”** means the first supplemental indenture, dated as of \_\_\_\_\_ 1, 2014, by and among the Trustee and the Authority and acknowledged by the County, pursuant to which the Trustee will execute and deliver the County Facility Bonds.



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

**“Fixed Rate Bonds”** means Bonds of any Series which bear interest at a fixed interest rate from the date of such Bonds until the maturity or redemption date thereof.

**“Government Securities”** means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (5) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AA” by S&P, or if not rated by Moody’s, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AA-rated pre-refunded municipal obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

**“Hazardous Substance”** means any material or substance regulated under any federal, state, or local Law, ordinances, regulations, rules, statutes, and administrative actions or orders respecting hazardous or toxic substances, waste, or materials, or industrial hygiene.

**“Indenture”** means collectively, the Master Indenture, as supplemented, modified or amended by one or more Supplemental Indenture entered into pursuant to the provisions thereof.

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

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the County;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the County; and

(3) is not connected with the Authority or the County as a member, officer or employee of the Authority or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the County.

**“Interest Payment Date”** means, with respect to any Series of Bonds, the meaning set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

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

**“Joint Powers Agreement”** means the Joint Exercise of Powers Agreement by and between the County and the Surplus Property Authority of the County of Alameda, dated March 18, 2014, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

**“Lease Payment Turbo/Early Redemption Fund”** means the account established pursuant to Section [ ] of the First Supplemental Indenture.]

**“Lease-Purchase Agreement”** or **“LPA”** means that certain Lease-Purchase Agreement, to be executed by the County, the AOC and the PWB upon satisfaction of the Required Approvals in Section 3 of the LPA.

**“LPA Account”** means the account created pursuant to Section 15.05 of the [Second] Supplemental Indenture.

**“Master Indenture”** means the Master Indenture, dated as of \_\_\_\_\_ 1, 2014, by and between the Trustee and the Authority and acknowledged by the County, as originally executed or as it may from time to time be supplemented, modified or amended by a Supplemental Indenture entered into pursuant to the provisions thereof.

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

**“Opinion of Counsel”** means a written opinion of Bond Counsel.

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

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

**“Permitted Encumbrances”** means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facility Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facility Lease in the office of the County Recorder of the County of Alameda and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time and the Facility Lease, as it may be amended from time to time; (4) this Indenture, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the County; (7) subleases and assignments of the County which will not adversely affect the exclusion from gross income of interest on the Bonds, and (8) licenses as granted in the LPA and, after the Transfer of Title, easements over and in the Building Common Areas and such other easements as may otherwise set forth in the Easement Agreements.

**“Permitted Investments”** means any of the following:

- (1) Government Securities;
- (2) ) any obligations which are then legal investments for moneys of the County under the laws of the State of California and comply with the County’s investment policy; provided that such investments shall be rated in the highest short-term or one of the three highest long-term rating categories by Moody’s and S&P;
- (3) money markets or mutual funds which are rated by S&P “AAAm-G” or “AAAm” or higher and, if rated by Moody’s, are rated “Aaa” or higher, which

funds may include funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services;

(4) the County of Alameda Investment Pool; and

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

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

**“Principal Office”** refers to the office of the Trustee noted in Section 11.10 and such other offices as the Trustee may designate from time to time.

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

**“Project Fund”** means the fund by that name established pursuant to Section [ ] of the First Supplemental Indenture.

**“Project”** means the 2014 Project and any additional facilities or improvements financed with proceeds of Additional Bonds.

**“Project”** means the 2014 Project and any Subsequent Project.

**“Rating Category”** means one of the general long-term (or short-term, if so specifically provided) rating categories of either Moody’s and S&P, without regard to any refinement or gradation of such rating category by a numerical modifier (unless a short-term rating) or otherwise.

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

**“Redemption Date”** shall mean the date fixed for redemption of any Bonds.

**“Redemption Price”** means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

**“Rental Payment Period”** means the twelve month period commencing June 2 of each year and ending the following June 1, and the initial period commencing on the effective date of the Facility Lease and ending the following June 1.

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

**“Reserve Account Requirement”** means, as of any date of calculation (calculated on a Bond Year basis), an amount equal to the lesser of (i) maximum annual debt service on all Bonds Outstanding secured by the applicable Reserve Account; (ii) 125% of average annual debt service on all Bonds Outstanding secured by the applicable Reserve Account; or (iii) 10% of the stated principal amount of each Series of the Bonds then Outstanding secured by the applicable Reserve Account.

**“Reserve Fund”** means the fund of that name established pursuant to Section 5.03(d).

**“Responsible Officer”** means any officer of the Trustee assigned to administer its duties under this Indenture.

**“Revenue Fund”** means the fund by that name created pursuant to Section 5.02 of the Master Indenture.

**“Revenues”** means (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facility Leases (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to Section 5.05, of any money in any fund or account (other than the Rebate Fund) established pursuant to the Master Indenture or the Facility Leases.

**“S&P”** means Standard & Poor’s, a division of the McGraw-Hill Companies, Inc., and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

["**SB 1407 Funds**"] means the funds from the ICNA in the total lump-sum amount of Fifty Million Dollars (\$[50,000,000]) that the AOC will contribute as partial payment of the State Project Cost as identified in the 2010-2011 State Budget Act, Item 0250-301-3138 (1), (Senate Bill 870, Ch.712, Statutes of 2010), as reappropriated by Item 0250-491 (Senate Bill 68, Ch. 5, Statutes of 2012). ]

"**Second Supplemental Indenture**" means the second supplemental indenture, dated as of \_\_\_\_\_ 1, 2014, by and among the Trustee and the Authority and acknowledged by the County, pursuant to which the Trustee will execute and deliver the Court Facility Bonds.

"**Serial Bonds**" means Bonds for which no sinking fund payments are provided.

"**Series,**" whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

"**Site Leases**" means together, the County Site Lease and the Court Facility Site Lease.

"**State**" means and refers to the State of California.

["**Substantial Completion**"] means that the County has achieved a stage of construction of the Court Facility, before Project Completion, such that the Court Facility in its entirety may be occupied for its intended purpose. Substantial Completion shall be deemed to have occurred when certificates of occupancy (or equivalent Regulatory Approvals) have been issued by State or local authorities with jurisdiction, including but not limited to the State Fire Marshall and the State Corrections Standards Authority. The issuance of certificates of occupancy will conclusively establish that the Court Facility may be occupied in its entirety for its intended purpose, completion of Punch List Items (as that term is defined in the DDA) notwithstanding.]

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

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

**“Term Bonds”** means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

**“Transfer of Title”** has the meaning given to it in the LPA.

**“Trial Court Facilities Act”** means the Trial Court Facilities Act of 2002, California Government Code Sections 70301, et seq.

**“Trustee”** means The Bank of New York Mellon Trust Company, N.A., or any other association or corporation which may at any time be substituted in its place as provided in Section 8.01.

**“Turbo Redemption Account”** means the account created pursuant to Section 15.06 of the [Second] Supplemental Indenture.

**“Written Request of the Authority”** means an instrument in writing signed by or on behalf of the Authority by its President, Vice President, Secretary, Assistant Secretary, [or Treasurer] of the Authority, or a designee of any such officer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

**“Written Request of the County”** means an instrument in writing signed by the President or Secretary of the Board of Supervisors of the County, County Administrator or Assistant County Administrator [or the Treasurer-Tax Collector of the County], or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

STATE OF CALIFORNIA  
c/o Judicial Council of California  
Administrative Office of the Courts  
Office of Court Construction and Management  
455 Golden Gate Avenue, 8<sup>th</sup> Floor  
San Francisco, CA 94102  
Attn: Eunice Calvert-Banks  
Manager, Real Estate

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[Space above for Recorder's use.]

This document is exempt from the payment of  
a recording fee under Section 27383 of the  
Government Code

**SUBORDINATION, NONDISTURBANCE, AND ATTORNMEN AGREEMENT  
(EAST COUNTY HALL OF JUSTICE PROJECT)**

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LIEN OR  
CHARGE IN THE LAND AND IMPROVEMENTS BECOMING SUBJECT TO AND  
OF LOWER PRIORITY THAN THE LIENS OF THE INSTRUMENTS  
REFERENCED BELOW.**

THIS SUBORDINATION, NONDISTURBANCE, AND ATTORNMEN AGREEMENT  
(this "Agreement") is dated as of \_\_\_\_\_, 2014, for reference purposes only and is by and  
among the STATE OF CALIFORNIA (the "State"), acting by and through the JUDICIAL  
COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS (the "AOC"), the  
COUNTY OF ALAMEDA, a political subdivision of the State of California (the "County"),  
ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Issuer"), a public entity and agency,  
duly organized and existing pursuant to an Agreement entitled "Amended and Restated Joint  
Exercise of Powers Agreement" by and between the County and the Surplus Property Authority of  
Alameda County, and the STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA,  
an entity of state government of the State of California (the "PWB").

**R E C I T A L S:**

A. The County is the fee simple owner of certain real property located in the County of  
Alameda, State of California (the "Land"), as legally described in Exhibit "A", attached hereto and  
incorporated herein by this reference.

B. The County and the AOC have identified the Land for the location of the East County  
Hall of Justice, and are parties to that certain Development and Disposition Agreement, pursuant to  
which the County and the AOC, together with the Superior Court of California, County of Alameda



("Court"), are working in good faith to design, develop, finance and construct the East County Hall of Justice (the "East County Hall of Justice Project").

C. The East County Hall of Justice will be approximately 196,219 gross square feet and comprised of the County Facility and the Court Facility.

D. The County has leased to the AOC the Courthouse Parcel and Court Designated Parking Area Parcels together with the AOC Licenses pursuant to the Lease Purchase Agreement ("~~LPA~~").

E. The County intends to finance the construction of the East County Hall of Justice Project through issuance of the County Facility Bonds and Court Facility Bonds, and the County Facility Bonds will be secured in part by the County Facility Financing Agreements, which will be a lien against the County Facility, and the Court Facility Bonds will be secured in part by the Court Facility Financing Agreements, which will be a lien against the Court Facility.

F. The County will lease to the Authority the Court Facility, and the Authority will lease back the Court Facility to the County ~~pursuant to the Court Facility Financing Agreements~~. As a condition to issuing the Court Facility Bonds, the Issuer has required that the AOC's interest in the Court Facility under the Lease Purchase Agreement be subordinate to the lien of the Court Facility Financing Agreements.

G. As a condition to the AOC entering into the Lease Purchase Agreement, the AOC and PWB have required that the Issuer consent to and recognize the Lease Purchase Agreement and AOC Licenses as Bonds Permitted Encumbrances and not disturb the AOC's quiet enjoyment and beneficial use and occupancy of the Court Facility under the Lease Purchase Agreement and acknowledge and agree the County Facility Financing Agreements will not be a lien against the Court Facility ~~except for the County's license interest in the Building Common Areas~~.

H. In consideration for the AOC's agreement to (i) subordinate the AOC's leasehold interest in the Court Facility under the Lease Purchase Agreement to the leasehold interests of the Court Facility Financing AgreementAgreements and also to (ii) attorn to the Issuer and its successors or assignees in any repossession of the Court Facility under the Court Facility Financing Agreements, the Issuer on behalf of itself and any successors or assignees agrees to recognize the AOC's said leasehold interest in the Court Facility under the Lease Purchase Agreement on the terms and conditions provided herein, and not to disturb the AOC's quiet enjoyment and beneficial use and occupancy of the Court Facility under the Lease Purchase Agreement upon such repossession so long as the AOC is not in default beyond all applicable notice, grace and cure periods and a Non-Appropriation Event has not occurred.

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

#### A G R E E M E N T:

1. Recitals. Further to the provisions in California Evidence Code section 622, the Recitals are incorporated herein by this reference and are deemed to be conclusively true as among the Parties and their successors and assigns.

2. Defined Terms. The following terms will have the following meanings for purposes of this Agreement. Any term not defined in this Agreement will have the meaning given to it in the Development and Disposition Agreement (“DDA”) and the LPA Lease Purchase Agreement.

“AOC” means the Judicial Council of California, an entity of state government duly organized and validly existing under and by virtue of the laws of the State, acting by and through the Administrative Office of the Courts, the staff agency to the Judicial Council of California and its successors and assigns under the Lease Purchase Agreement.

“AOC Licenses” ~~means~~mean the irrevocable licenses granted by the County to the AOC as set forth in the LPA Lease Purchase Agreement.

“Agreement” means this Subordination, Nondisturbance and Attornment Agreement entered dated as of \_\_\_\_\_, 2014, and by and among the AOC, the County, the Issuer, and the PWB.

“Bonds” means together, the County Facility Bonds and the Court Facility Bonds issued by the Issuer concurrently to fund portions of the East County Hall of Justice Project and any bonds issued to refund such Bonds.

“Bonds Permitted Encumbrances” means those liens, encumbrances, easements and other instruments of record that have been recorded in the Official Records of Alameda County against the Court Facility or County Facility with the approval and consent of the Issuer, as provided in the Court Facility Financing Agreements or the County Facility Financing Agreements.

“Building Common Areas” means, collectively, the areas of the Courthouse Building that provide joint entry to and shared lobby areas of the County Building and the Courthouse Building, which shall be shared on a non-exclusive basis by the County and the AOC and that comprise approximately 8,766 gross square feet of improvements, including, (a) a central lobby and lobby entrances to the Courthouse Building and the County Building; (b) the rotunda; (c) stairways and elevator banks to the upper floor of the Courthouse Building and between the two floors of the Building Common Areas; and (d) the café space contained in the lower level of the Building Common Areas, all as depicted in yellow on the Buildings Property Line Drawing, attached hereto as **Exhibit “B”**.

~~“Common Areas” means the Building Common Areas and (b)~~“Building Common Areas Access and Use Easement Agreement” means that certain Building Common Areas Access and Use Easement Agreement in the form attached as Exhibit “J” to the Lease Purchase Agreement and recorded pursuant to Article 12 of the Lease Purchase Agreement.

“Common Areas” means the Building Common Areas and the Land Common Areas.

“County” means the County of Alameda, California, a political subdivision of the State of California, and its successors and assigns under the Lease Purchase Agreement.

~~“County Bonds” means the certain Alameda County Joint Powers Authority lease revenue bonds, certificates of participation, or other appropriate financing instruments that do not require voter approval, which the County may cause the Alameda County Joint Powers Authority to issue in the manner prescribed and pursuant to the terms and conditions stated in the DDA and any lease revenue bonds, certificates of participation, or other forms of indebtedness issued to refinance such~~

bonds.

“**County Building**” means all spaces, rooms and areas, including all related equipment, systems, fixtures and improvements contained within the approximately 42,276 gross square foot two-story office building to be constructed on Parcel 2 ~~of the Land~~ as shown on the Land Parcel Map, and to be owned, occupied and used exclusively by the County, which may include the District Attorney, Public Defender, Probation, and space for Board of Supervisors.

“**County Designated Parking Area**” means the separate and designated parking area located on Parcel 3 of the Land Parcel Map and further shown on the Parking Plan attached hereto as **Exhibit “C”**, including a total of approximately 230 unsecured, paved, surface parking spaces available for exclusive use by the County, its employees and staff, and County visitors.

“**County Facility**” means the County Building and other improvements located on the County Building Parcel and the County Designated Parking Area, together with ~~necessary licenses over the County Licenses,~~ and ~~inafter the Building Common Areas as~~ Transfer of Title, the easements granted by the AOC State to the County in Article 2 of the LPA and/or easements over and in the Building Common Areas and otherwise as set forth in the Easement Agreements.

“**County Facility Bonds**” means the certain Alameda County Joint Powers Authority lease revenue bonds, certificates of participation, or other forms of indebtedness issued to finance or refinance the County Facility component of the East County Hall of Justice Project.

“**County Facility Financing Agreements**” means the County Facility Bonds and those agreements, instruments, schedules (including schedules for the County’s payments to the Issuer in respect of the County Facility Bonds), and other documents, that have been, or will be, entered into, by the Issuer, the County, or the Issuer, and by which the County is, or will be, bound in connection with the County Facility Bonds, including but not limited to the bond indenture, ~~site lease and facility leases~~ the County Site Lease and the County Facility Lease.

“**County Facility Lease**” means the facility lease, dated as of \_\_\_\_\_, 2014, by and between the Issuer, as lessor, and the County, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the County Facility Bonds.

“**County Licenses**” mean the irrevocable licenses granted by the AOC to the County as set forth in the Lease Purchase Agreement.

“**County Property**” means Parcel 7 of the Land Parcel Map, which is ~~to be used~~ owned by the County and subject to non-exclusively exclusive use by the ~~County and the~~ AOC pursuant to the terms and conditions ~~of~~ in the LPA and, after Lease Purchase Agreement.

“**County Site Lease**” means the Transfersite lease, dated as of \_\_\_\_\_ of Title, the Land Areas Agreement, to enter, exit, pass over, and pass through for the benefit of the Real Property. \_\_\_\_\_, 2014 by and between the County, as lessor, and the Issuer, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the County Facility Bonds.

“**Court**” means the Superior Court of California, County of Alameda.

**“Court Designated Parking Area Parcels”** means the separate and designated parking areas located on the Court Designated Parking Area Parcels and on a portion of the Courthouse Parcel for the Judges Parking Area, and further depicted in the Land Parcel Map as Parcels 4, 5 and a portion of Parcel 1, attached here to as **Exhibit “D”**, and incorporated herein by this reference parcels consisting of Parcels 4 and 5 of the Land Parcel Map.

**“Court Facility”** means the Courthouse Building and other improvements located on the Courthouse Parcel and the Court Designated Parking Areas**Area Parcels**, together with the AOC Licenses granted by the County to the AOC in Article 2 of the LPA**Lease Purchase Agreement**, and/or, after the Transfer of Title, the easements granted in the Easement Agreements**Land Areas Agreement**.

**“Court Facility Bonds”** means certain Alameda County Joint Powers Authority lease revenue bonds, certificates of participation, or other forms of indebtedness issued to finance or refinance the Court Facility component of the East County Hall of Justice Project.

**“Court Facility Financing Agreements”** means the Court Facility Bonds and those agreements, instruments, schedules (including schedules for the County’s payments to the Issuer in respect of the Court Facility Bonds), and other documents, that have been, or will be, entered into, by the Issuer, the County, the Issuer, and by which the County is, or will be, bound in connection with the Court Facility Bonds, including but not limited to the bond indenture, Court Site Lease, and Court Facility Lease.

**“Court Facility Lease”** means the Facility Lease, dated as of \_\_\_\_\_, 2014, by and between the Issuer, as lessor, and the County, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the Court Facility Bonds.

**“Court Site Lease”** means the Site Lease, dated as of \_\_\_\_\_, 2014 by and between the County, as lessor, and the Issuer, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the Court Facility Bonds.

**“Courthouse Parcel”** means Parcel 1 of the Land Parcel Map ~~improved~~ by the Courthouse Building, grounds, and Judges Parking Area\_ and other improvements, including the Building Common Areas.

**“Development and Disposition Agreement”** ~~or “DDA”~~ means the Development and Disposition Agreement, dated as of \_\_\_\_\_, 2014, entered into by and among the County, the AOC, and the Court for the East County Hall of Justice Project.

**“East County Hall of Justice”** means, collectively, the Court Facility and the County Facility.

**“East County Hall of Justice Project”** means the planning, design, development, financing, construction, and completion of all of the components of the Real Property as provided in the DDA**Development and Disposition Agreement**.

**“Exclusive Use Areas AOC Parcels”** means the Courthouse Parcel, ~~excluding the Building~~

~~Common Areas~~, and the Court Designated Parking Area Parcels, ~~as~~ and described as Parcels 1, 4 and 5 of the Land Parcel Map.

“**Issuer**” means the Alameda County Joint Powers Authority, a public entity and agency, duly organized and existing pursuant to an Agreement entitled “Amended and Restated Joint Exercise of Powers Agreement” by and between the County and the Surplus Property Authority of Alameda County, and its successors and assigns.

“**Land**” means and refers to the land described in **Exhibit “A”** attached hereto (comprising approximately 20.37 acres), including all title, rights, and interest therein, and as further subdivided into separate legal Parcels under the Land Parcel Map.

“**Land Common Areas**” means together, the County Property and the Shared Parking Area.

“**Land Parcel Map**” means that certain ~~Vesting Tentative Map 10237, dated March 19, 2014, Instruction # \_\_\_\_\_, Parcel Map~~ recorded in the Official Records by the County of Alameda on April \_\_, 2014, ~~as Instrument No. \_\_\_\_\_.~~

“**Lease Purchase Agreement**” ~~or “LPA”~~ means that certain Lease Purchase Agreement by and between the County as lessor and the AOC as lessee, dated as of \_\_\_\_\_, 2014, and concerning the subordinated lease of the Court Facility.

~~“Permitted Encumbrances” means those liens, encumbrances, easements and other instruments of record that have been recorded in the Official Records of Alameda County against the Court Facility with the approval and consent of the Issuer, as provided in the Financing Agreements.~~

“**PWB**” means the State Public Works Board of the State of California.

“**Real Property**” means the Land and associated improvements thereon, including the Court Facility and the County Facility.

“**Shared Parking Area Parcel**” means the accessible (disabled) parking area located on Parcel 6 of the Land Parcel Map, ~~which is further depicted on the Parking Plan, attached as Exhibit “F” to the LPA, and includes a total of approximately 20 unsecured, paved, surface parking spaces, available for use by the parties to the LPA, their employees, visitors, guests, and the public complying with accessible vehicle requirements.~~

~~“Site Lease” means the Site Lease, dated as of \_\_\_\_\_, 2014 by and between the County, as lessor, and the Issuer, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the Facility Bonds.~~

“**State**” means and refers to the State of California.

3. Subordination. The Lease Purchase Agreement, and all of the AOC’s right, title, and interest in and to the Court Facility thereunder, shall be, and the same are expressly made subject to, subordinate and inferior to the Court Facility Financing Agreements.

4. Acknowledgements and Agreements of the Issuer. The Issuer declares, acknowledges, and agrees that:

4.1 The Lease Purchase Agreement, the Memorandum of Lease and Easement Agreements, the County Licenses are Bonds Permitted Encumbrances under the Court Facility Financing Agreements.

4.2 The AOC Licenses are Bonds Permitted Encumbrances under the County Facility Financing Agreements, ~~other than the Bond Indenture, and encumber the County Property and the Shared Parking Area Parcel.~~

4.24.3 The County Facility Financing Agreements do not in any manner create any liens or encumbrances against the Court Facility, ~~except for the Building Common Areas; under which Bond Indenture the Issuer has pledged to the Trustee lease payments of the County. The Bond Indenture provides for separate series of bonds for the County Facility and the Court Facility.~~

4.34.4 The County Facility Financing Agreements shall not be amended or modified if such amendment or modification materially impairs the AOC's quiet enjoyment and beneficial use of the Court Facility or creates a lien or encumbrance against the Court Facility.

4.44.5 ~~The Lease Purchase Agreement and AOC Licenses are Permitted Encumbrances and the~~ The AOC's quiet enjoyment and beneficial use and enjoyment of the Court Facility and AOC Licenses shall not be disturbed except as provided in the LPA, the Financing Agreements, Lease Purchase Agreement and this Agreement.

4.5 ~~The AOC has the right to record the Memorandum of Lease in the Official Records of Alameda County as provided in the Lease Purchase Agreement.~~

5. Acknowledgements and Agreements of the AOC. The AOC declares, acknowledges, and agrees that:

5.1 The AOC intentionally and unconditionally waives, relinquishes, subjects, and subordinates the liens, claims, and charges of the Lease Purchase Agreement in favor of the Court Facility Financing Agreements and understands that in reliance upon, and in consideration of, this waiver, relinquishment, subjection, and subordination, specific financing is being and will be made and, as part and parcel thereof, specific leasehold, monetary, and other obligations has been entered into, that would not be made or entered into but for the Issuer's and County's reliance upon this waiver, relinquishment, subjection, and subordination.

5.2 The AOC has delivered to the Issuer true and complete copies of the Lease Purchase Agreement, and the Lease Purchase Agreement has not been amended, modified or supplemented in any way, except as disclosed therein.

5.3 The Lease Purchase Agreement commences \_\_\_\_\_, 201\_ and ends \_\_\_\_\_, 20\_\_, unless earlier terminated as provided in the Lease Purchase Agreement.

5.4 There are no defaults (or conditions or events which, with notice or the passage of time or both, would constitute a default), known to the AOC as of the date hereof, by the County or the AOC under their respective obligations set forth in the Lease Purchase Agreement.

5.5 The County Licenses encumber portions of the Courthouse Parcel, including but not limited to the Building Common Areas, and the Court Designated Parking Areas Parcels, and such licenses are necessary for the quiet enjoyment and beneficial use of the County Facility.

6. Nondisturbance and Recognition. So long as a Non-Appropriation Event has not occurred or the AOC is not in default in performance of this Agreement or the terms, provisions and conditions contained in the Lease Purchase Agreement beyond all applicable notice, grace and cure periods:

6.1 Issuer shall not, in the exercise of any of the rights arising or which may arise out of the Court Facility Financing Agreements disturb or deprive the AOC of its rights of quiet enjoyment and beneficial use and occupancy of the Court Facility or of any right or privilege granted to or inuring to the benefit of the AOC under the Lease Purchase Agreement, including but not limited to the AOC Licenses.

6.2 In the event of termination or expiration of the Court Facility Lease before any of the dates provided in the Lease Purchase Agreement for the termination or expiration of the Lease Purchase Agreement and if immediately prior to such termination or expiration the Lease Purchase Agreement shall be in full force and effect, the AOC shall not be made a party in any removal or eviction action or proceeding brought by the Issuer under the Court Facility Financing Agreements nor shall the AOC be evicted or removed of its possession or its right of possession of the Court Facility be disturbed or in any way interfered with, and the Lease Purchase Agreement shall continue in full force and effect as a direct lease between Issuer and the AOC.

6.3 Without limiting the AOC's other rights under this Agreement, if the Court Facility Lease terminates for any reason and the Issuer does not relet the Court Facility to a third party, the AOC may elect to continue the Lease Purchase Agreement in full force and effect notwithstanding such termination of the Court Facility Lease, as provided in this Section 6.3. On such election by the AOC, the Lease Purchase Agreement shall continue as a direct lease between the Issuer and the AOC for the remainder of the term of the Lease Purchase Agreement ~~or the Site Lease Agreement, whichever is shorter~~, without the necessity of executing a new lease, on the same terms and conditions as are in effect under the Lease Purchase Agreement immediately preceding the termination of the Court Facility Lease.

7. Attornment. If the leasehold possessory interest of the County in the Court Facility shall be transferred to the Issuer or its successors and assigns by reason of any enforcement of the provisions in the Court Facility Financing Agreements, and if a Non-Appropriation Event has not occurred and the AOC is not then in default beyond all applicable notice, grace and cure periods, the Issuer or its successors and assigns shall be bound to the AOC and the AOC shall be bound to the Issuer and its successors or assigns, under all of the terms, covenants and conditions of the Lease Purchase Agreement, for the balance of the term with the same force and effect as if the Issuer or its successors and assigns were the original lessor under the Lease Purchase Agreement. The AOC does hereby agree to attorn to the Issuer and its successors and assigns as the lessor under the Lease Purchase Agreement, said attornment to be effective and self-operative without the execution of any further instruments upon the Issuer's or its successors and assigns succeeding to the interest of the County under the Lease Purchase Agreement, ~~provided the Issuer cannot acquire fee title.~~

8. ~~Integration; No Waiver. The Site Facility Lease and this Agreement are the whole and only agreements with regard to the subordination of the Lease Purchase Agreement and the AOC's interest in the Court Facility to the Financing Agreements.~~ Amendments. This Agreement may not be modified or amended except by a written agreement signed by the parties. No waiver shall be deemed to be made by the AOC or the PWB of any of their rights hereunder unless the same shall be in writing signed on behalf of the AOC and the PWB.

9. Recordation. This Agreement shall be recorded in the Official Records against the Land.

10. Binding Effect; Successors and Assigns. All of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law and binding on the parties hereto and their representatives, successors, and assigns.

11. Governing Law. This Agreement is governed by the laws of the State of California, without regard to the choice of law rules of that state.

12. Counterparts. This Agreement may be executed in counterparts, and all counterparts constitute but one and the same document.



**IN WITNESS** of the foregoing provisions, the Parties have entered into Subordination, Attornment and Nondisturbance Agreement as of the date first written above.

APPROVED AS TO FORM:

ADMINISTRATIVE OFFICE OF THE  
COURTS, OFFICE OF THE GENERAL  
COUNSEL

By: \_\_\_\_\_  
Name: Leslie G. Miessner

**JUDICIAL COUNCIL OF CALIFORNIA,  
ADMINISTRATIVE OFFICE OF THE COURTS**

By: \_\_\_\_\_  
Name: Grant Walker  
Title: Business Services Manager  
Date: \_\_\_\_\_

ATTEST:

Clerk to the Board of Supervisors

By: \_\_\_\_\_  
Deputy

**COUNTY OF ALAMEDA, a political subdivision of  
the State of California**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President, Board of Supervisors  
Date: \_\_\_\_\_

Approved As to Form:  
DONNA R. ZIEGLER, COUNTY COUNSEL

By: \_\_\_\_\_  
Andrea L. Weddle  
Assistant County Counsel

AUTHORIZED:  
STATE OF CALIFORNIA  
State Public Works Board

By: \_\_\_\_\_  
Brian Dewey  
Deputy Director

Date: \_\_\_\_\_

**EXHIBIT A**

Legal Description of the Land

[To be inserted]

**EXHIBIT B**

Buildings Property Line Drawing

[To be inserted]

**EXHIBIT C**

Parking Plan

[To be inserted]

**EXHIBIT D**

Land Parcel Map

[To be inserted]

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MASTER INDENTURE

by and between the

ALAMEDA COUNTY JOINT POWERS AUTHORITY

and

[TRUSTEE]  
as Trustee

Dated as of \_\_\_\_\_ 1, 2014

Relating to  
Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice)

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THIS INDENTURE dated as of \_\_\_\_\_ 1, 2014 (this “Indenture”), by and between the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the “Authority”), a joint exercise of powers authority duly organized and existing pursuant to an amended and restated Joint Exercise of Powers Agreement by and between the County of Alameda and the Surplus Property Authority of the County of Alameda, and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”);

W I T N E S S E T H:

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

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

WHEREAS, the County of Alameda (the “County”) following a public hearing duly noticed and held, has determined that the financing by the Authority of the Alameda East County Hall of Justice consisting of the County Facility and the Court Facility (together the “Facilities”, as set forth in Exhibit C to the Facility Lease (the “2014 Project”), and the consummation of the transactions contemplated in the Site Lease[s] (as hereinafter defined), the Facility Leases (as hereinafter defined) and this Indenture will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to Article 4 of the Act to lease of the Facilities (as hereinafter defined), and to finance the 2014 Project (as hereinafter defined) through the issuance of its bonds;

WHEREAS, the County has requested the Authority to finance the construction of the 2014 Project;

WHEREAS, the Authority intends to assist the County in financing the 2014 Project by issuing the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice) 2014 Series A and 2014 Series B (collectively, the “2014 Bonds”);

WHEREAS, the 2014 Series A Bonds will be payable from rental for the County Facility and the 2014 Series B Bonds will be payable from rental from the Court Facility;

WHEREAS, the County will lease to the Authority the Demised Premises on which the Facilities will be constructed pursuant to the Site Leases;

WHEREAS, the County will lease back the Facilities from the Authority pursuant to the terms of the Facility Leases;

WHEREAS, the Authority has authorized the issuance of the Bonds, in an aggregate principal amount of \_\_\_\_\_ dollars (\$[par amount]) to assist in financing a portion of the 2014 Project;

WHEREAS, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the 2014 Project, from which significant public benefit will be achieved, the Bonds shall be issued pursuant to Article 4 of the Act;

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

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

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

## ARTICLE I

### DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this [Section] shall for all purposes hereof and of any Supplemental Indenture and of any certificate, opinion, request or other document herein or therein mentioned have the meanings specified in Appendix A attached hereto and by this reference incorporated herein, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facility Lease.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and

final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

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

## ARTICLE II

### THE BONDS

#### SECTION 2.01 [Authorization of Bonds](#).

Bonds may be issued hereunder from time to time in order to obtain moneys to carry out the purposes of the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited but is subject to the provisions of Article III. The Bonds are designated generally as “Alameda County Joint Powers Authority Lease Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained. Series of Bonds may be payable from and secured separately by property leased under certain site leases and facility leases pertaining to the project financed or refinanced with the proceeds of such Series of Bonds as specified in the Supplemental Indenture relating thereto.

#### SECTION 2.02 [Terms of the Bonds](#).

The Bonds of each Series shall be dated such date, shall be issued in such denominations, shall bear interest at such rate or rates determined in such manner and payable at such intervals and shall mature and become payable on such date or dates and in such year or years, and may be subject to redemption, tender and purchase on such terms, as may be determined by the County at the time of issuance thereof, all as shall be set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Unless otherwise provided in the Supplemental Indenture delivered in connection with such Series of Bonds, the Bonds of each Series shall be initially registered in the name of “Cede & Co.,” as nominee of DTC and shall be evidenced by one or more bond certificates for each Series of Bonds in the total aggregate principal amount of the Bonds of such Series.

Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.08 hereof, or in the event the use of DTC is discontinued, in accordance with the provisions set forth in Section 2.04 hereof.

The principal or redemption price of a Series of Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee or at such other location as shall be specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds. Payment of the interest on any Bond shall be made to the person whose name appears on the bond registration books of the Trustee as the Holder thereof as of the Record Date preceding each Interest Payment Date, such interest to be paid by check mailed by first class mail on the applicable Interest Payment Date to the Holder at his address as it appears on such registration books; provided that such interest shall be paid by wire transfer to an account in the United States for any Holder of at least \$1,000,000 in aggregate principal amount of Bonds of any Series if the Holder makes a written request to the Trustee on or prior to the close of business on the Record Date preceding such Interest Payment Date specifying the account address.

Any such interest not so punctually paid or duly provided for with respect to any Bond shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof to be given to the Holders of such Bonds as set forth in the Supplemental Indenture establishing the terms and provisions of such Bonds or, if not provided therein, notice whereof to be given to the Holders of such Bonds not less than ten (10) days prior to such special record date.

SECTION 2.03      [Execution of Bonds](#). The President of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

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

SECTION 2.04      [Transfer and Payment of Bonds](#). (a) Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.06 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall

authenticate and deliver to the transferee a new Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

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

The Trustee shall not be required to register the transfer of or exchange any Bonds which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.03 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.05 [Exchange of Bonds](#). Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.03 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.06 [Bond Registration Books](#). The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority upon reasonable notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.07 [Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds](#). If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

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

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

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

SECTION 2.08      [Special Covenants as to Book-Entry Only System for Bonds.](#)

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.08, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Bonds, representing the aggregate principal amount of the Bonds of such maturity. Upon initial issuance, the ownership of all such Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.06 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section 2.08, securities

brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section 2.08.

(c) In the event that the Authority determines that the Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.08. DTC may determine to discontinue providing its services with respect to the Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.08. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 2.08 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section 2.08, and thereafter, all references in this Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.



(e) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.08, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.04 and 2.05. In the event Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.04 and 2.05 shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

### ARTICLE III

#### ISSUANCE OF BONDS

SECTION 3.01 General Provisions for Issuance of Bonds. The Authority may at any time by Supplemental Indenture establish one or more Series of Bonds, payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein. The Bonds shall be executed by the Authority for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the purchasers thereof upon written order of the Authority [with the consent of the County], but only upon receipt by the Trustee of the following:

- (a) An original executed copy of the Supplemental Indenture authorizing such Bonds, which Supplemental Indenture shall specify:
  - (i) the purpose for which such Series of Bonds is being issued;
  - (ii) whether such Bonds shall bear interest at a fixed or variable rate, and, if variable, the method of determining such rate;
  - (iii) whether the interest on such Bonds shall be federally taxable or tax-exempt;
  - (iv) the Series of such Bonds, the date or dates, the Interest Payment Dates, the principal payment dates and the maturity date or dates of such Bonds;
  - (v) the manner of dating and numbering such Bonds;
  - (vi) the place or places of payment of the principal or redemption, tender or purchase price, and the manner of payment of interest on, such Bonds;
  - (vii) any redemption, tender or purchase provisions for such Bonds;
  - (viii) the amount and due date of each Mandatory Sinking Fund Payment, if any, for such Bonds;

(ix) the amounts to be deposited in the funds and accounts created and established by this Indenture and the Supplemental Indenture authorizing such Bonds;

(x) any other provisions deemed advisable by the Authority that are not in conflict with the provisions hereof;

(b) An opinion of Bond Counsel, dated the date of delivery thereof, to the effect that: (i) such Supplemental Indenture is a valid and binding obligation of the Authority and (ii) upon the execution, authentication and delivery thereof, such Bonds will be valid and binding obligations of the Authority;

(c) A Written Order of the Authority as to the delivery of such Bonds; and

(d) A Certificate of the Authority stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture.

(e) Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

SECTION 3.02 [Conditions for the Issuance of Additional Bonds](#). Following the issuance of the 2014 Bonds, the Authority may at any time issue Additional Bonds pursuant to a Supplemental Indenture, payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein equal to the pledge, charge and lien securing the Outstanding Bonds theretofore issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) The Supplemental Indenture shall require that the proceeds of the sale of such Additional Bonds shall be applied to the acquisition (by purchase or lease) or construction of facilities to be added to the Facilities or for the refunding of Outstanding Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture.

(d) The Facility Lease or Facility Leases shall have been amended, if necessary, and duly recorded in the official records of the County Recorder of the County, so that the Base Rental Payments payable by the County thereunder in each Fiscal Year shall at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year.

(e) The Facility Lease shall have been amended and duly recorded in the official records of the County Recorder of the County, so as to lease to the County the project

being financed from the proceeds of such Additional Bonds or facilities of comparable worth and economic life.

(f) If the proceeds of such Additional Bonds are to be used, in whole or in part, to finance construction on real property not described in the Facility Lease or the additional Facilities to be leased are not situated on property described in the Facility Lease, (1) the Site Lease shall have been amended so as to lease to the Authority such additional real property; and (2) the Facility Lease shall have been amended so as to lease to the County such additional real property.

(g) If the additional Facilities to be leased are to be constructed, the Trustee shall be paid an amount of capitalized interest on the Additional Bonds for the estimated period of construction and six months thereafter.

(h) The Supplemental Indenture shall provide, if necessary, that from such proceeds or other sources an amount shall be deposited in the Reserve Fund so that following such deposit there shall be on deposit in the Reserve Fund an amount at least equal to the Reserve Fund Requirement.

SECTION 3.03 [Proceedings for Authorization of Additional Bonds](#). Whenever the Authority shall determine to execute and deliver any Additional Bonds pursuant to Section 3.02, the Authority and the Trustee shall enter into a Supplemental Indenture providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Indenture shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 3.02, shall provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates (or method of determining the rates, if variable), interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds shall be issued, the the Authority shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel setting forth that (1) such Counsel has examined the Supplemental Indenture and the amendment to the Facility Lease and the Site Lease required by Section 3.02(d), (e), and (f); (2) the execution and delivery of the Additional Bonds have been sufficiently and duly authorized by the Authority; (3) said amendment to the Facility Lease and the Site Lease if any, when duly executed by the County and the Authority, will be valid and binding obligations of the County and the Authority; and (4) all the conditions to the issuance of the Additional Bonds set forth in this Indenture have been satisfied.

(b) A Certificate of the Authority stating that the requirements of Section 3.02 have been met.

(c) A certified copy of a resolution or ordinance of the County authorizing the execution of the amendments to the Facility Lease required by Section 3.02(d), (e), and (f).

(d) An executed counterpart or duly authenticated copy of any amendment to the Facility Lease required by Section 3.02(d), (e), and (f) that has been duly recorded in the official records of the County Recorder of the County.

(e) A Certificate of the County stating that the insurance required by Sections 5.01, 5.02 and 5.03 of the Facility Lease relating to such Series of Bonds is in effect.

(f) If the proceeds of such Additional Bonds are to be used, in whole or in part, to finance construction or acquire facilities on real property not then described in the Facility Lease, an executed counterpart or duly authenticated copy of the Site Lease required by Section 3.02(f) that has been duly recorded in the official records of the County Recorder of the County.

(g) A title insurance policy insuring the Authority's leasehold or fee title in the real property on which the Facilities are located, and, if the proceeds of such Additional Bonds are to be used to finance construction on real property not then described in the Facility Lease, a title insurance policy insuring the Authority's leasehold or fee title in such real property, such title insurance policy to be in an amount at least equal to the aggregate amount of outstanding Bonds (including Additional Bonds to be issued) or, at the option of the Authority, an opinion of counsel or Certificate of the County or such other evidence of the Authority's or County's leasehold or fee interest in such real property as shall be acceptable to the Authority.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the County and of the Authority stating that all applicable provisions of this Indenture have been complied with (so as to permit the issuance of the Additional Bonds in accordance with the Supplemental Indenture then delivered to the Trustee), the Trustee shall authenticate and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Indenture to, or upon the Written Request of, the Authority.

SECTION 3.04 [Limitations on the Issuance of Obligations Payable From Revenues](#). The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues except the following:

(a) Bonds of any Series authorized in accordance with the provisions of Section 3.03;

(b) Obligations which are junior and subordinate to the payment of the principal, premium, interest and reserve fund requirements for the Bonds and which subordinated obligations are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Revenues after the prior payment of all amounts then required to be paid hereunder from Revenues for principal, premium, interest and reserve fund requirements for the Bonds, as the same become due and payable and at the times and in the manner as required in this Indenture.

## ARTICLE IV

### REDEMPTION OF BONDS

SECTION 4.01 Terms of Redemption. Each Series of Bonds may be made subject to mandatory or optional redemption prior to their respective stated maturities, as a whole or in part, on such date or dates, upon such terms and conditions, upon such notice and at such redemption prices and with such effect as may be provided in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

SECTION 4.02 Extraordinary Redemption. The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02(a) of the Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

SECTION 4.03 Selection of Bonds for Redemption. The Authority shall designate which maturities of Bonds and the principal amount of Bonds which are to be redeemed (other than Bonds subject to mandatory sinking fund redemption). If less than all Outstanding Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such selection, Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

SECTION 4.04 Notice of Redemption; Cancellation; Effect of Redemption. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof, together with interest accrued thereon to the

redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

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

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

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

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

## ARTICLE V

### REVENUES

#### SECTION 5.01 Pledge of Revenues.

(a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.03) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are hereby irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds as provided herein, and the Revenues and other amounts pledged hereunder shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the

Rebate Fund created pursuant to Section 6.03) for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof.

(b) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facility Lease, the Trustee shall notify the County of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the County's obligation to make timely payments of installments of Base Rental Payments.

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

SECTION 5.03 [Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund; Reserve Fund](#)

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

- (1) Interest Account, and
- (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section. On each Principal Payment Date, following payment of principal of and interest on the Bonds, any excess amount on deposit in the Revenue Fund shall be transferred to the Reserve Fund to the extent necessary to increase the amount therein to the Reserve Fund Requirement and, unless otherwise specified in a Supplemental Indenture, any excess shall be returned to the County as an excess payment of Base Rental Payments.

(b) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date, until the balance in said account is equal to said aggregate amount of interest (taking into account transfers from any Capitalized Interest Account prior to any other deposits from Reserves).

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

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

With respect to each Series of Bonds for which a portion of the proceeds of the sale thereof are required to be set aside to pay interest on such Bonds, the Trustee, if so instructed by the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds, shall establish and maintain a separate account within the Interest Account, designated as the “Series \_\_\_\_ Capitalized Interest Account,” inserting therein the Series designation of such Bonds. Moneys in a Capitalized Interest Account shall be transferred by the Trustee and deposited in the Interest Account in the amounts and at the times specified in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(c) Principal Account. On or before each June 1, commencing \_\_\_\_\_ 1, 201\_, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such June 1 into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such June 1. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

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

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each Series and maturity, designated as the “\_\_\_\_ Sinking Account” (the “Sinking Account”), inserting therein the Series and maturity (if more than one such account is established for such Series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series and



maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article IV.

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

(d) Reserve Fund. The Trustee shall establish and hold in trust hereunder a separate fund titled the "Reserve Fund." All money in the Reserve Fund shall be deposited with, used and withdrawn by the Trustee solely for the purpose of funding the Interest Account or the Principal Account, in that order, in the event of any deficiency in either of such accounts on a Principal Payment Date or Interest Payment Date, except that so long as the Authority is not in default hereunder, any cash amounts in the Reserve Fund in excess of the Reserve Fund Requirement shall be withdrawn from the Reserve Fund and deposited by the Trustee for deposit to the Revenue Fund on each Interest Payment Date, following the payment of any amounts due on such date. Pursuant to the Supplemental Indenture, accounts may be established in the Reserve Fund providing for separate reserves for separate Series of Bonds. The Reserve Fund Requirement shall only be calculated upon the issuance of a Series of Bonds or the retirement of a Series of Bonds.

In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The County, as agent of the Authority, shall file a Certificate of the County with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the Authority or the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the County, as agent for the Authority under the Facility Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the County, stating that the County has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.01. Alternatively, the Authority with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for such purpose (including allocable portions of the Reserve Fund) are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial

damage or destruction of the Facilities, of the Base Rental Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Section 4.02. The Authority shall not apply the proceeds of insurance as set forth in this Section 5.03 to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.04 Project FundThe Trustee shall establish and maintain and hold in Trust a separate fund titled the "Project Fund." Each Supplemental Indenture pursuant to which one or more Series of Bonds is issued to finance construction of one or more projects shall establish a separate account within the Project Fund for the purpose of holding the funds for the construction of such additional projects. Funds deposited into such accounts shall be used for and applied pursuant to the terms of the Supplemental Indenture by which such account is created.

SECTION 5.06 Deposit and Investments of Money in Accounts and Funds. Subject to Section 6.03, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the Authority or, if no instructions are received, in money market funds described in clause (3) of the definition of Permitted Investments. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder; provided, however, that moneys in the Reserve Fund shall be invested in Permitted Investments with a term to maturity not exceeding five (5) years. For purposes of this restriction, Permitted Investments containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Unless otherwise instructed by the Authority, all interest or profits received on any money so invested shall be deposited first in the Reserve Fund, to the extent necessary to make amounts on deposit in the Reserve Fund equal to the Reserve Fund Requirement, and then in the Revenue Fund; provided that, with respect to the Project Fund, earnings on amounts in such fund shall be credited to such fund until completion of the respective Projects. The Trustee shall value Permitted Investments held in the Reserve Fund no later than June 1 in each year; provided that for purposes of this Section the value of any such Permitted Investment shall be an amount equal to the lesser of the cost or the fair market value of such Permitted Investment. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Indenture.

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

Subject to Section 6.03, investments in any and all funds and accounts except for the Rebate Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all

times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Indenture.

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

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

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

SECTION 6.02 Against Encumbrances. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 5.01, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.03.

SECTION 6.03 Rebate Fund.

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

(b) Any funds remaining in the Rebate Fund with respect to a Series of Bonds after redemption and payment of all such Series of Bonds and all other amounts due hereunder or under the Facility Lease relating to such Series of Bonds, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the

Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the Written Request of the Authority.

SECTION 6.04 [Tax Covenants.](#)

(a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

(d) The foregoing provisions of this Section 6.04 shall not be applicable to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

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

SECTION 6.06 [Prosecution and Defense of Suits.](#) The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit,

action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 6.07 [Further Assurances](#). Whenever and so often as reasonably requested to do so by the Trustee or any Bondholder, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

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

SECTION 6.09 [Amendments to Facility Lease and Site Lease](#).

(a) The Authority shall not supplement, amend, modify or terminate any of the terms of any Facility Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of substitution of real property pursuant to Section 2.04 of the Facility Lease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any substitution in accordance with Section 2.04 of the Facility Lease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.04 of the Facility Lease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the

County pursuant to the Facility Lease to an amount less than the scheduled principal and interest payment on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Indenture on the Base Rental Payments (except as expressly provided in the Facility Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.

(b) The Authority shall not supplement, amend, modify or terminate any of the terms of any Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.04 of the Facility Lease, or (e) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination.

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

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

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

SECTION 6.11 [Compliance with Continuing Disclosure Agreement](#). Pursuant to Section 8.08 of the Facility Lease, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Bonds or any other person with respect to S.E.C. Rule 15c2-12. The County has agreed that so long as it shall act as the Dissemination Agent under the Continuing Disclosure Agreement, it will perform all of the provisions thereof to be performed by the Dissemination Agent. Notwithstanding any other provision of this Indenture, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under Section 8.08 of the Facility Lease or under this Section 6.11. For purposes of this Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).”

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 [Events of Default and Acceleration of Maturities](#). If one or more of the following events (herein called “events of default”) shall happen, that is to say:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the Authority in the due and punctual payment of the principal or premium, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for mandatory redemption;

(c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such default shall have continued for a period of sixty (60) days or (or if the Authority notifies the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an event of default if the Authority commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time);

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any

state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under Section 6.01 of the Facility Lease;

then and in each and every such case during the continuance of such event of default the Trustee, upon the written request of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Bondholders by first class mail of any such event of default which is continuing of which a Responsible Officer has actual knowledge or written notice.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Authority shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration and premium, if any, with interest at the rate borne by such Bonds on such overdue interest and principal and premium, if any, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee or the Bondholders of not less than a majority in aggregate principal amount of Bonds then Outstanding, by written notice to the Authority and to the Trustee, may on behalf of the Bondholders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02 [Application of Funds Upon Acceleration](#). All moneys in the accounts and funds provided in Sections 5.02, 5.03 and 5.04 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 [and any other moneys then held or thereafter received by the Trustee under any of the provisions of this Indenture] and all Revenues (other than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

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



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

SECTION 7.03 Institution of Legal Proceedings by Trustee. If one or more of the events of default shall happen and be continuing, the Trustee may, and upon the written request of the Bondholders of a majority in principal amount of the Bonds then Outstanding, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Indenture and under [Article VI] of the Facility Leases by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

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

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

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

SECTION 7.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such

remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.06 [Limitation on Bondholders' Right to Sue](#). No Bondholder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Indenture, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01; (b) the Bondholders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

## ARTICLE VIII

### THE TRUSTEE

SECTION 8.01 [The Trustee](#). [Trustee] shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a corporate trust office in California.

The Authority, unless there exists any Event of Default as defined in Section 7.01, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least five-hundred million dollars (\$500,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital

and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds and a certificate of destruction shall be delivered to the Authority upon its request. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

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

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

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

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

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of not less than a

majority (or any lesser amount that may direct the Trustee in accordance with this Agreement) in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

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

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

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

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

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

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

arising from the Facility Lease or this Indenture for the existence, furnishing or use of the Facilities or the Project.

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

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

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee is not responsible for the content of any official statement or any other offering or disclosure material prepared in connection with the Bonds.

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

## ARTICLE IX

### AMENDMENT OF THE INDENTURE

#### SECTION 9.01 Amendment of the Indenture.

(a) This Indenture and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02, are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity or Series remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the County without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Indenture to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Indenture which shall become binding upon adoption but without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the

procedure set forth in Article III (which shall be deemed not to adversely affect Bondholders); or

(iv) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Indenture under the Trust Indenture Act of 1939.

SECTION 9.02 [Disqualified Bonds](#). Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

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

SECTION 9.04 [Amendment by Mutual Consent](#). The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

## ARTICLE X

### DEFEASANCE

SECTION 10.01 [Discharge of Bonds](#).

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all or any portion of the Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facility Lease, then the Bondholders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due hereunder and under the Facility Lease.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 4.04, (2) there shall have been deposited with the Trustee (A) cash in an amount which shall be sufficient and/or (B) noncallable Government Securities, the interest on and principal of which when paid will provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

(c) In the event of an advance refunding (i) the Authority shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date or redemption date (“Verification”) (which Verification shall verify the mathematical accuracy of the computations relating to the adequacy of cash plus Government Securities to be held in escrow to pay debt service requirements (principal, interest and redemption price, including premium, to the applicable redemption or maturity dates) when due on the Bonds to be refunded), (ii) the escrow agreement shall provide that no (A) substitution of a Government Security shall be permitted except with another Government Security and upon delivery of a new Verification and (B) reinvestment of a Government Security shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an Opinion of Bond Counsel to the effect that the Bonds are no longer “Outstanding” under the Indenture; each Verification and opinion shall be addressed to the Authority and the Trustee.

SECTION 10.02 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds.



## ARTICLE XI

### MISCELLANEOUS

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

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

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

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

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

duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

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

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

SECTION 11.06 [Destruction of Cancelled Bonds](#). Whenever provision is made for the return to the Authority of any Bonds which have been cancelled pursuant to the provisions hereof, the Authority may, by a Written Request of the Authority, direct the Trustee to destroy such Bonds and furnish to the Authority a certificate of such destruction.

SECTION 11.07 [Content of Certificates](#). Every Certificate of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision 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 contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Authority, upon a representation by an officer or officers of the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 11.08 [Accounts and Funds](#). Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be

treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 11.09 [Business Day](#). When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 11.10 [Notices; Notices to Rating Agencies](#). All written notices to be given hereunder shall be given by mail to the party entitled thereto at the addresses set forth below, or at such other addresses as such parties may provide to the other party in writing from time to time, namely:

If to the County or the Authority: County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612  
Attention: County Administrator  
Telephone: [(510) 272-6984]  
Fax: [(510) 272-3784]

If to the Trustee: [Trustee]  
\_\_\_\_\_  
\_\_\_\_\_  
Attention:  
Telephone:  
Fax:

The Trustee shall give written notice to Moody's and S&P of the redemption or defeasance of any Bonds, the amendment of the Facility Lease or Indenture, any change in the Trustee in accordance herewith.

SECTION 11.11 [Article and Section Headings and References](#). The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.12 [Partial Invalidity](#). If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security

afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.13 Governing Law. This Indenture shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 11.14 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the ALAMEDA COUNTY JOINT POWERS AUTHORITY has caused this Indenture to be signed in its name by its [Title], and [TRUSTEE], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By: \_\_\_\_\_  
[Title]

[TRUSTEE], as Trustee

By: \_\_\_\_\_  
Authorized Officer

**APPENDIX A**

**DEFINITIONS**

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[FIRST/SECOND] SUPPLEMENTAL INDENTURE

by and between the

ALAMEDA COUNTY JOINT POWERS AUTHORITY

and

[TRUSTEE]  
as Trustee

Dated as of \_\_\_\_\_ 1, 2014

[\$par amount]

Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice),  
2014 Series [A/B]

(Supplementing the Indenture  
dated as of \_\_\_\_\_ 1, 2014)

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THIS [FIRST/SECOND] SUPPLEMENTAL INDENTURE dated as of \_\_\_\_\_ 1, 2014 (the “[First/Second] Supplemental Indenture”), by and between the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the “Authority”), a joint exercise of powers authority duly organized and existing pursuant to a Joint Exercise of Powers Agreement by and between the County of Alameda (the “County”) and the Surplus Property Authority of the County of Alameda, and [TRUSTEE], a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”), being supplemental to a Indenture, dated as of \_\_\_\_\_ 1, 2014 (as further supplemented from time to time, the “Indenture”) (capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in Appendix A);

W I T N E S S E T H:

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

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

WHEREAS, the Authority has heretofore authorized the issuance of its Lease Revenue Bonds (East County Hall of Justice) in one or more series pursuant to the Indenture;

WHEREAS, the Indenture provides that the Authority may from time to time establish series of Bonds by supplemental indenture, and that the Authority may issue and the Trustee may authenticate and deliver Bonds of any such series in such principal amount as shall be determined by the Authority, upon compliance with the provisions, and subject to the conditions, set forth in the Indenture;

WHEREAS, the County following a public hearing duly noticed and held, has determined that the financing of the 2014 Project by the issuance of the Bonds will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to Article 4 of the Act to cause the financing of the 2014 Project (as hereinafter defined) through the issuance of its bonds;

WHEREAS, the County has determined to finance the construction of the Alameda East County Hall of Justice as set forth in Exhibit C to the Facility Lease (as amended from time to time, the “2014 Project”);

WHEREAS, the Authority intends to assist the County in financing the 2014 Project by issuing the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B] (the “[County/Courthouse] Bonds”);

WHEREAS, the County has agreed, pursuant to the terms of the Facility Lease, dated as of \_\_\_\_\_ 1, 2014 (the "Facility Lease"), by and between the Authority and the County, to pay base rental payments in fixed amounts that correspond to debt service on the [County/Courthouse] Bonds;

WHEREAS, the Authority has authorized the issuance of the [County/Courthouse] Bonds, in an aggregate principal amount not to exceed \_\_\_\_\_ dollars (\$\_\_\_\_\_) to assist in financing the 2014 Project;

WHEREAS, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the 2014 Project, from which significant public benefit will be achieved, the [County/Courthouse] Bonds shall be issued pursuant to Article 4 of the Act;

WHEREAS, to provide for the authentication and delivery of the [County/Courthouse] Bonds, to establish and declare the terms and conditions upon which the [County/Courthouse] Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this [First/Second] Supplemental Indenture; and

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

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

## ARTICLE XII

### DEFINITIONS

SECTION 12.01 Definitions. Unless the context otherwise requires, the capitalized terms used for all purposes of this [First/Second] Supplemental Indenture and of any amendment hereof or supplement hereto and of any certificate, opinion, request or other document herein or therein mentioned shall have the meanings specified in Appendix A attached to the Master Indenture and by this reference incorporated herein.

## ARTICLE XIII

### TERMS AND CONDITIONS OF THE [COUNTY/COURTHOUSE] BONDS

SECTION 13.01 Authorization of [County/Courthouse] Bonds.

(a) An [initial/second] Series of Bonds is hereby created, designated “Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B].” The aggregate principal amount of [County/Courthouse] Bonds which may be issued and Outstanding under the Indenture shall not exceed \_\_\_\_\_ dollars (\$[par amount]).

(b) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the [County/Courthouse] Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the [County/Courthouse] Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the [County/Courthouse] Bonds in the form and manner provided herein for the purpose of providing funds to finance the 2014 Project, and that the [County/Courthouse] Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(c) The validity of the issuance of the [County/Courthouse] Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of the 2014 Project or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the [County/Courthouse] Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all [County/Courthouse] Bonds shall be incontestable from and after their issuance. The [County/Courthouse] Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive [County/Courthouse] Bonds (or any temporary [County/Courthouse] Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

SECTION 13.02 Terms of the [County/Courthouse] Bonds.

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

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
----------------------	-------------------------	----------------------

The [County/Courthouse] Bonds shall bear interest at the rates set forth above, payable commencing \_\_\_\_\_ 1, 2014 and semiannually thereafter on [June] 1 and [December] 1 in each year (each, an "Interest Payment Date"). The [County/Courthouse] Bonds shall pay interest to the Owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after the Record Date for an Interest Payment Date, in which event they shall pay interest from such Interest Payment Date, or unless such date of authentication is on or prior to the Record Date for the first Interest Payment Date, in which event they shall pay interest from their date of issuance. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(b) Payment of interest on the [County/Courthouse] Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the [County/Courthouse] Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to Section 2.07; provided, however, that interest on any [County/Courthouse] Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Owner of at least \$1,000,000 in aggregate principal amount of such [County/Courthouse] Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file as of the applicable Record Date preceding the Interest Payment Date.

(c) Interest on any [County/Courthouse] Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such [County/Courthouse] Bond shall no longer be Outstanding and entitled to the benefits of this Indenture, except for the payment of the principal amount or Redemption Price, of such [County/Courthouse] Bond, as appropriate, from moneys held by the Trustee for such payment.

(d) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is surrendered to the Trustee for cancellation.

(e) The Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal, and premium by the CUSIP number of the related [County/Courthouse] Bonds.

SECTION 13.03 [Form of \[County/Courthouse\] Bonds.](#) The [County/Courthouse] Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth in [Exhibit A](#) attached hereto and by this reference is herein incorporated.

SECTION 13.04 [Execution of \[County/Courthouse\] Bonds.](#) The President of the Authority is hereby authorized and directed to execute each of the [County/Courthouse] Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the [County/Courthouse] Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the [County/Courthouse] Bonds shall cease to be such officer before the delivery of the [County/Courthouse] Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the [County/Courthouse] Bonds.

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

SECTION 13.05 [Transfer and Payment of \[County/Courthouse\] Bonds.](#) Any [County/Courthouse] Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.07.

The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any [County/Courthouse] Bond as the absolute owner of such

[County/Courthouse] Bond for the purpose of receiving payment thereof and for all other purposes, whether such [County/Courthouse] Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such [County/Courthouse] Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such [County/Courthouse] Bond to the extent of the sum or sums so paid.

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

SECTION 13.06      Exchange of [County/Courthouse] Bonds. [County/Courthouse] Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of [County/Courthouse] Bonds of the same Series and maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any [County/Courthouse] Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such [County/Courthouse] Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of [County/Courthouse] Bonds for redemption.

## ARTICLE XIV

### PROCEEDS OF [COUNTY/COURTHOUSE] BONDS

SECTION 14.01      Procedure for the Issuance of [County/Courthouse] Bonds. At any time after the sale of the [County/Courthouse] Bonds in accordance with the Act, the Authority shall execute the [County/Courthouse] Bonds for issuance hereunder and shall deliver them, , to the Trustee, and thereupon the [County/Courthouse] Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the [County/Courthouse] Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, transfer or deposit the proceeds received from such sale and such deposit along with additional amounts as set forth below, to the following respective parties or to the following respective accounts or funds, in the following order of priority:

- (i)            deposit the sum of \$\_\_\_\_\_ to the 2014 Series [A/B] Costs of Issuance Fund, which fund is hereby created and which account the Trustee hereby covenants and agrees to maintain. All money in the 2014 Series [A/B] Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the [County/Courthouse] Bonds upon receipt of a Written Request of the Authority, in substantially the form attached hereto as Exhibit C,

filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. On \_\_\_\_\_ 1, 201\_, or upon the earlier Written Request of the Authority, any remaining balance in the 2014 Series [A/B] Costs of Issuance Fund shall be transferred to the 2014 Series [A/B] Project Account within the Project Fund and the 2014 Series [A/B] Costs of Issuance Fund shall be closed;

(ii) deposit the sum of \$\_\_\_\_\_ in the 2014 Series [A/B] Capitalized Interest Account of the Interest Account;

(iii) [deposit the amount of \$\_\_\_\_\_ in the 2014 Series [A/B] Account in the Reserve Fund];

(iv) Deposit the amount of \$\_\_\_\_\_ in the 2014 Series [A/B] Account in the Project Fund;

(v) [deposit \$\_\_\_\_\_ of Courthouse Construction Funds received from the County into the Courthouse Construction Account in the Project Fund][Note LPA has these moneys going into the Courthouse Construction Funds Account];

(vi) [deposit \$\_\_\_\_\_ of SB 1407 Funds received [from the County] into the 2014 Series B Account in the Project Fund]; and

(vii) [deposit \$\_\_\_\_\_ of Civil Assessments into the 2014 Series B Account in the Project Fund].

SECTION 14.02 [Project Fund](#). The moneys in the Series 2014 Project Account shall be disbursed by the Trustee.

Before any payment is made from the Project Fund, there shall be filed with the Trustee a Written Request of the Authority showing with respect to each payment to be made:

- (i) the item number of the payment;
- (ii) the name and address of the person to whom payment is due;
- (iii) the amount to be paid; and
- (iv) the purpose for which the obligation to be paid was incurred.

Each such Written Request shall be sufficient evidence to the Trustee and shall state:

- (a) that obligations in the stated amounts have been incurred by the Authority, and that each item thereof is a proper charge against the 2014 Series [A/B] Project Account and has not been the subject of a prior requisition; and

(b) that there has not been filed with or served upon the Authority or County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Request, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

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

All interest earnings on amounts on deposit in the Project Fund shall be deposited therein. Upon the completion of the 2014 Project, any amounts remaining in the 2014 Series B Project Account shall be [deposited in the Turbo Redemption Fund].

SECTION 14.03 [Capitalized Interest Account](#). The Trustee shall establish and maintain a separate subaccount in the Interest Account to be known as the "2014 Series [A/B] Capitalized Interest Account" for the purposes set forth below. The Trustee shall transfer moneys from the 2014 Series [A/B] Capitalized Interest Account in the amounts necessary to pay the interest due and payable on the [County/Courthouse] Bonds on each Interest Payment Date to the Series 2014 [A/B] Interest Subaccount on December \_\_, 2014, and thereafter until depleted.

Any surplus moneys in the Capitalized Interest Account may be transferred by the Trustee to the Project Fund upon the Written Request of the Authority and an approving Opinion of Bond Counsel and, if necessary, a new schedule of transfers from the Capitalized Interest Account to the Interest Account shall be included therewith.

## ARTICLE XV SERIES 2014 B ACCOUNTS

SECTION 15.01 [Series 2014 B Interest Subaccount](#). There is hereby created and the Trustee hereby covenants and agrees to cause to be maintained the Series 2014 B Interest Subaccount within the Interest Account of the Revenue Fund. All money in the Series 2014 B Interest Subaccount shall be held in trust by the Trustee and shall be applied, used and withdrawn solely for the purpose of paying the interest on the Series 2014 B Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 15.02 [Series 2014 B Principal Subaccount](#). There is hereby created and the Trustee hereby covenants and agrees to cause to be maintained the Series 2014 B Principal Subaccount. All money in the Series 2014 B Interest Account shall be held in trust by the Trustee and shall be applied, used and withdrawn solely for the purpose of paying the principal or Redemption Price of the Series 2014 B Bonds as it shall become due and payable, whether at maturity or redemption.



SECTION 15.03 [\[Series 2014 B Sinking Account\]](#)

SECTION 15.04 [LPA Account.](#) The Trustee shall establish and maintain a separate account in the Revenue Fund to be known as the “LPA Account” for the purposes set forth in Section [15.\_\_\_\_] below. Until and including \_\_\_\_\_, 20\_\_\_\_, the [County] shall deposit with the Trustee when and as received civil assessments, and, thereafter, shall deposit LPA Payments therein. Amounts on deposit in the LPA Account shall be held in trust by the Trustee for the benefit of the Bondholders and shall be used only for deposit into the Interest Account, the Principal Account, the [Turbo Redemption Account] or the Reserve Fund for payment of debt service on the Series 2014 Bonds, as set forth in Section [15.\_\_\_\_] below.

SECTION 15.05 [Courthouse Construction Funds Account.](#) The Trustee shall establish and maintain a separate account in the Revenue Fund to be known as the Courthouse Construction Funds Account for the purposes set forth in Section [15.\_\_\_\_] below. The County has covenanted [to the Authority] to remit, on a quarterly basis, the Courthouse Construction Funds Amount to the Bond Trustee for deposit into the Courthouse Construction Funds Account. Amounts on deposit in the Courthouse Construction Funds Account shall be held in trust by the Trustee for the benefit of the Bondholders and shall be used only for deposit into the Interest Account, the Principal Account, [Turbo Redemption Account] or the Reserve Fund for payment of debt service on the Series 2014 Bonds, as set forth in Section [15.\_\_\_\_] below.

SECTION 15.06 [Turbo Redemption Account.](#) The Trustee shall establish and maintain a separate account in the Revenue Fund to be known as the Turbo Redemption Account to be used only for the payment of interest on and principal or redemption or purchase price of the Series 2014 B Bonds as it shall become due and payable (including interest accrued on any Series 2014 B Bonds purchased or redeemed prior to maturity) including upon optional redemption prior to maturity. Five days after each Principal Payment Date, the Trustee shall transfer all funds on deposit in the LPA Account and the Courthouse Construction Funds Account to the Turbo Redemption Account. Five days after the next succeeding Interest Payment Date, unless the Trustee has received written instructions from the Authority to the contrary, the Trustee shall use the funds on deposit in the Turbo Redemption Account to optionally redeem Series 2014 B Bonds on the next available date that Series 2014 B Bonds are subject to optional redemption. The Series 2014 B Bonds optionally redeemed with funds in the Turbo Redemption Account pursuant to this paragraph shall be chosen as set forth in Section [4.03] hereof.

SECTION 15.07 [Withdrawals from the LPA Account and the Courthouse Construction Funds Account; Turbo Redemption Account.](#)

(a) Forty-five days prior to each Interest Payment Date, the Trustee shall transfer from the LPA Account into the Series 2014 B Interest Subaccount that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Series 2014 B Bonds on such Interest Payment Date, less any amounts to be transferred to the Interest Account from any the Series 2014 B Capitalized Interest Account for the payment of such interest (the “2014B Interest Payment Amount”) and any amounts already on deposit in the Series 2014 B Interest Subaccount, until the balance in the Series 2014 B Interest Subaccount is equal to the 2014B Interest Payment Amount. Should amounts on deposit in the LPA Account be insufficient to bring the balance of the Series 2014 B Interest Subaccount to the 2014B Interest

Payment Amount, the Trustee shall transfer the remaining necessary moneys from the Courthouse Construction Funds Account to the Series 2014 B Interest Subaccount. Such transfers from the LPA Account and the Courthouse Construction Funds Account shall be credited against the semi-annual payments of Base Rental under the Facilities Lease due pursuant to Section 3.01 thereof.

(b) Forty-five days prior to each Principal Payment Date, and after making the transfers set forth in the prior subsection (a), the Trustee shall transfer from the LPA Account into the Series 2014 B Principal Subaccount that amount of money which is equal to the amount of principal becoming due and payable on all Outstanding Series 2014 B Bonds on such Principal Payment Date (the “2014B Principal Payment Amount”) less amounts already deposit in the Series 2014 B Principal Subaccount, until the balance in the Series 2014 B Principal Subaccount is equal to the 2014B Principal Payment Amount. Should amounts on deposit in the LPA Account be insufficient to bring the balance of the Series 2014 B Principal Subaccount to the 2014B Principal Payment Amount, the Trustee shall transfer the remaining necessary moneys from the Courthouse Construction Funds Account to the Series 2014 B Principal Subaccount. Such transfers from the LPA Account and the Courthouse Construction Funds Account shall be credited against the semi-annual payments of Base Rental under the Facilities Lease due pursuant to Section 3.01 thereof.

(c) Forty Five days prior to each Interest Payment Date, and after making the transfers set forth in the prior subsections (a) and (b) , should amounts on deposit in the Series 2014 B Interest Subaccount and the Series 2014 B Principal Subaccount be less than the Series 2014 B Interest Payment Amount and the Series 2014 B Principal Payment Amount respectively, the Trustee shall transfer any remaining moneys necessary to cure such deficiencies into the Series 2014 B Interest Subaccount and the Series 2014 B Principal Subaccount from the Turbo Redemption Account. Such transfers from the Turbo Redemption Account shall be credited against the semi-annual payments of Base Rent under the Facilities Lease due pursuant to Section 3.01 thereof.

SECTION 15.08 [County Invoicing](#). Should amounts on deposit in the Series 2014 B Interest Subaccount and the Series 2014 B Principal Subaccount be less than the Series 2014 B Interest Payment Amount and the Series 2014 B Principal Payment Amount respectively after the transfers described in Section 15.07 hereof, the Trustee shall invoice the County for the remaining necessary amounts, and the County shall remit such amounts to the Trustee at least 15 days prior to the next Interest Payment Date. Such amounts remitted by the County shall constitute the remaining portion (if any) of semi-annual payments of Base Rental under the Facilities lease due pursuant to Section 3.01 thereof.

## ARTICLE XVI

### [REDEMPTION OF \[COUNTY/COURTHOUSE\] BONDS](#)

#### SECTION 16.01 [Terms of Redemption of \[County/Courthouse\] Bonds](#).

(a) [Extraordinary Redemption](#). The [County/Courthouse] Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice

as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02(a) of the Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date..

(b) [Optional Redemption]. The [County/Courthouse] Bonds maturing on or prior to \_\_\_\_\_ 1, 20\_\_ are not subject to optional redemption. The [County/Courthouse] Bonds maturing on or after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after \_\_\_\_\_ 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the [County/Courthouse] Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.]

[Optional Redemption]. Each maturity of the [Courthouse] Bonds is subject to redemption prior to its stated maturity date at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after the first optional redemption date for such maturity set forth below and at a redemption price equal to such percentage of the principal amount of the [County/Courthouse] Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium, as set forth in the table below.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>First Optional Redemption Date</u>	<u>Redemption Price</u>

]

(c) Mandatory Sinking Fund Redemption. [The [County/Courthouse] Bonds are not subject to mandatory sinking fund redemption.][The 2014 Series [A/B] Term Bonds, upon notice as hereinafter provided, shall also be subject to mandatory sinking fund redemption prior to maturity, in part on \_\_\_\_\_ 1 of each year on the Mandatory Sinking Account Payment Dates specified in Section \_\_\_\_\_, by lot, from and in the amount of the mandatory sinking account payments set forth in Section \_\_\_\_\_ at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium.]

(d) Selection of Bonds for Redemption. If less than all Outstanding [County/Courthouse] Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the [County/Courthouse] Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the [County/Courthouse] Bonds so selected for redemption. For purposes of such selection, [County/Courthouse] Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event 2014 Series [A/B] Term Bonds are designated for redemption, [such redemption shall be allocated to annual mandatory sinking fund payments in inverse chronological order].

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

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

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

(f) Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the Redemption Price of the [County/Courthouse] Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice [County/Courthouse] Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such [County/Courthouse] Bonds shall cease to accrue, and the Bondholders of such

[County/Courthouse] Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

All [County/Courthouse] Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

## ARTICLE XVII

### COVENANTS OF THE AUTHORITY

SECTION 17.01 Tax Covenants. (a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause the [County/Courthouse] Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the [County/Courthouse] Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate is no longer required, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX of the Indenture, the covenants hereunder shall be deemed to be modified to that extent.

## ARTICLE XVIII

### MISCELLANEOUS

SECTION 18.01 Terms of [County/Courthouse] Bonds Subject to the Indenture. Except as in this [First/Second] Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this [First/Second] Supplemental Indenture and to the [County/Courthouse] Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this [First/Second] Supplemental Indenture.

This [First/Second] Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 18.02 [Effective Date of \[First/Second\] Supplemental Indenture.](#) This [First/Second] Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 18.03 [Execution in Several Counterparts.](#) This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the ALAMEDA COUNTY JOINT POWERS AUTHORITY has caused this Indenture to be signed in its name by its [Title], and [TRUSTEE], in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By: \_\_\_\_\_  
[Title]

[TRUSTEE], as Trustee

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT A

[FORM OF [COUNTY/COURTHOUSE] BOND]

No. \_\_\_\_\_

\$ \_\_\_\_\_

ALAMEDA COUNTY JOINT POWERS AUTHORITY  
LEASE REVENUE BONDS  
(EAST COUNTY HALL OF JUSTICE),  
2014 SERIES [A/B]

NONE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE STATE OF CALIFORNIA, NOR THE COUNTY OF ALAMEDA IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF CALIFORNIA, OR THE COUNTY OF ALAMEDA OR THE SURPLUS PROPERTY AUTHORITY FOR THE COUNTY OF ALAMEDA, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	_____	_____, 2014	_____

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The ALAMEDA COUNTY JOINT POWERS AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum



from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the fifteenth calendar day of the month preceding an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_, 20\_\_, in which event it shall bear interest from the Dated Date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee (defined hereinafter) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the Principal Office of the Trustee. Capitalized terms used herein and not otherwise defined herein have the meanings ascribed thereto in the Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Alameda County Joint Powers Authority Lease Revenue Bonds” (the “Bonds”) unlimited as to principal amount and is one of a duly authorized series of such Bonds known as “(East County Hall of Justice), 2014 Series [A/B]” (the “[County/Courthouse] Bonds”) issued in an aggregate principal amount of \_\_\_\_\_ dollars (\$[par amount]), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a Indenture, dated as of \_\_\_\_\_ 1, 2014 (as amended from time to time, the “Indenture”), between the Authority and [Trustee], as trustee (together with any successor as trustee under the Indenture, the “Trustee”) (copies of the Indenture are on file at the corporate trust office of the Trustee).

The [County/Courthouse] Bonds are issued to provide funds to finance and refinance the acquisition, installation, implementation and construction of the Alameda East County Hall of Justice, and related costs and expenses, located in the County of Alameda (as more fully defined in the Indenture, the “Project”). The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Indenture and the revenues (as more fully defined in the Indenture, the “Revenues”) derived from Base Rental Payments and other payments made by the County of Alameda (the “County”), and all interest or other investment income thereon, pursuant to the Facility Lease, dated as of \_\_\_\_\_ 1, 2014 (as amended from time to time, the “Facility Lease”), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture by a pledge and assignment of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Indenture. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be

levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal (or premium, if any) of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the [County/Courthouse] Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Indenture. Reference is hereby made to the Act and to the Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Indenture (with or without consent of the registered owners of the Bonds); and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

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

If an Event of Default (as defined in the Indenture) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

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

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

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of

this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By \_\_\_\_\_  
President

[SEAL]

Countersigned:

\_\_\_\_\_  
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION  
TO APPEAR ON [COUNTY/COURTHOUSE] BONDS]

This is one of the Bonds described in the within-mentioned Indenture which has been registered and authenticated on \_\_\_\_\_, 2014.

[TRUSTEE], as Trustee

By \_\_\_\_\_  
Authorized Signatory

[DTC LEGEND]

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

[FORM OF ASSIGNMENT TO  
APPEAR ON [COUNTY/COURTHOUSE] BONDS]

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Taxpayer Identification Number: \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

Signature Guaranteed: \_\_\_\_\_

NOTE: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF REQUISITION – PROJECT FUND

Date: \_\_\_\_\_, 20\_\_

No. \_\_

[Treasurer-Tax Collector]

Re: Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice) 2014 Series [A/B]  
(Written Request of the County - 2014 Series [A/B] Project Account)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the 2014 Series [A/B] Project Account within the Project Fund provided for in Section 14.02 of the Indenture dated as of \_\_\_\_\_ 1, 2014 (the “Indenture”) between the Alameda County Joint Powers Authority (the “Authority”) and [Trustee], as trustee, the amount indicated on Schedule A attached hereto to the therein-named individuals, firms and corporations for the payment of project costs relating to the completion of the 2014 Project (as said term is defined in the Indenture.

The obligations in the stated amount have been incurred by the County, and each item thereof is a proper charge against the 2014 Series [A/B] Project Account within the Project Fund. There has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named herein below, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

If checked here you are hereby authorized to close the 2014 Series [A/B] Project Account within the Project Fund and transfer any remaining balance (after payment of any amounts indicated in Schedule A) to the Trustee to be applied to the redemption of bonds.

Very truly yours,

COUNTY OF ALAMEDA

By \_\_\_\_\_  
Authorized Officer

cc: [Trustee]

SCHEDULE A

<u>Item</u> <u>No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
—	_____	\$ _____	_____

EXHIBIT C

FORM OF REQUISITION – COSTS OF ISSUANCE

Date: \_\_\_\_\_

No. \_\_

[Trustee]

Re: Alameda County Joint Powers Authority  
Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B]  
(Written Request of the Authority – Costs of Issuance Fund)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the Costs of Issuance Fund provided for in Section 14.01 of the Indenture dated as of \_\_\_\_\_ 1, 2014 (the “Indenture”) between the Alameda County Joint Powers Authority (the “Authority”) and [Trustee], as trustee, the not to exceed amounts indicated on Schedule A attached hereto to the therein-named individuals, firms and corporations for expenses incident to the issuance of the above-referenced Bonds pursuant to the Indenture.

The obligations in the stated amounts have been incurred by the Authority and each item thereof is a proper charge against the Costs of Issuance Fund.

If checked here you are hereby authorized to close the Costs of Issuance Fund and transfer any remaining balance (after payment of any amounts indicated in Schedule A) to the Authority for deposit to the 2014 Series [A/B] Project Account within the Project Fund.

Very truly yours,

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY

By \_\_\_\_\_  
Authorized Officer



SCHEDULE A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
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APPENDIX A

DEFINITIONS

Recording requested by  
and return to:

COUNTY OF ALAMEDA  
c/o Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, CA 94105-2669

Attention: Mary A. Collins, Esq, c/o Michele Bergland.

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**SITE LEASE**

by and between the

**COUNTY OF ALAMEDA**

and the

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

Dated as of \_\_\_\_\_ 1, 2014

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THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND  
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

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## SITE LEASE

THIS SITE LEASE, dated as of \_\_\_\_\_ 1, 2014 (this “Lease” or “Site Lease”), by and between the COUNTY OF ALAMEDA, a political subdivision organized and existing under and by virtue of the laws of the State of California (the “County”), as lessor, and the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the “Authority”), a public entity and agency, duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the County of Alameda and the Surplus Property Authority of Alameda County, as lessee (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto in the Facility Lease);

### W I T N E S S E T H:

**WHEREAS**, the Authority has agreed to issue \$\_\_\_\_\_ aggregate principal amount of its Lease Revenue Bonds (East County Hall of Justice), 2014 Series [A/B] (together with any refunding bonds thereof, the “[County/Courthouse] Bonds”), pursuant to a master indenture, dated as of \_\_\_\_\_ 1, 2014, as supplemented by a [first/second] supplemental indenture, dated as of \_\_\_\_\_ 1, 2014 (as supplemented and amended from time to time, the “Indenture”) by and between the Authority and [Trustee], as trustee (together with any successor thereto, the “Trustee”), for the purpose of financing the East County Hall of Justice for the County (the “2014 Project”);

**WHEREAS**, the County, pursuant hereto, will lease certain Demised Premises, upon which the 2014 Project is to be constructed of the County to the Authority and the Authority will use the proceeds of the [County/Courthouse] Bonds and other funds provided to the Authority to finance and construct the 2014 Project as provided in the Indenture;

**WHEREAS**, the Authority will lease back the Demised Premises and 2014 Project (collectively, and as further defined, the “Facilities”) to the County pursuant to the Facility Lease, dated as of \_\_\_\_\_ 1, 2014 (as amended from time to time, the “Facility Lease”), between the Authority, as lessor, and the County, as lessee; and

**WHEREAS**, under the Facility Lease, the County will be obligated to make base rental payments to the Authority for the lease of the Facilities and the Authority will pledge such base rental payments to the Trustee for payments of the [County/Courthouse] Bonds;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

#### SECTION 1. Demised Premises

The County hereby leases to the Authority and the Authority hereby hires from the County, on the terms and conditions hereinafter set forth, the real property situated in the County of Alameda, State of California, and described in Exhibit A attached hereto and made a part hereof (the “Demised Premises”), together with any additional real property added thereto by any supplement or amendment hereto, [or any real property substituted for all or any portion of such property in accordance with this Lease and the Indenture]; subject, however, to any conditions, reservations, and easements of record or known to the County and the buildings and

all other facilities constructed thereon. The site of the Facilities (exclusive of the buildings and improvements to be constructed thereon) is sometimes referred to herein as the “Demised Premises.” The County shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements to the Facilities, including the Demised Premises.

## SECTION 2. Term

(a) The term of this Lease as to the Demised Premises shall commence on the date of recordation of this Lease in the office of the County Recorder of County of Alameda, State of California, or on \_\_\_\_\_, 2014 whichever is earlier, and shall end on \_\_\_\_\_ 1, 20\_\_\_, unless such term is extended or sooner terminated as hereinafter provided. If on \_\_\_\_\_1, 20\_\_\_ the Base Rental Payments attributable to the related Facilities and all other amounts then due under the Facility Lease with respect to such Facilities shall not be fully paid, or if the rental or other amounts payable under the Facility Lease with respect to such Facilities shall have been abated at any time and for any reason, then the term of this Lease with respect to such Facilities shall be extended until ten (10) days after the Base Rental Payments attributable to such Facilities (being amounts needed to pay the [County/Courthouse] Bonds) and all other amounts then due under the Facility Lease with respect to such Facilities, including amounts needed to pay any [County/Courthouse] Bonds shall be fully paid, except that the term of this Lease as to the respective Facilities shall in no event be extended beyond \_\_\_\_\_ 1, 20\_\_\_. If prior to such date the Base Rental Payments attributable to the related Facilities and all other amounts then due under the Facility Lease with respect to such Facilities shall be fully paid, the term of this Lease with respect to such Facilities shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

## SECTION 3. Rental

The Authority shall pay to the County from the proceeds of the [County/Courthouse] Bonds as and for rental hereunder the amount of \$\_\_\_\_\_, which amount the County finds and determines is full and fair rental for the Demised Premises on the date hereof and which amount the County further agrees will be deposited as set forth in the Indenture and applied to finance the 2014 Project as provided in the Indenture and the Facility Lease.

## SECTION 4. Purpose

The Authority shall use the Demised Premises solely for the purpose of financing the construction of the 2014 Project thereon and for the purpose thereafter of leasing the Facilities when constructed to the County pursuant to the Facility Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Facility Lease, the Authority may exercise the remedies provided in the Facility Lease.

## SECTION 5. Environmental Law and Regulations

(a) Definitions used in this Section 5 and in Section 6.

“Asbestos Containing Materials” shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine);

(b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

“Asbestos Operations and Maintenance Plan” shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Demised Premises.

“Environmental Regulations” shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“Hazardous Materials” shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the County, any of the Demised Premises or the business operations conducted by the County thereon.

“Laws and Regulations” shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities or the Demised Premises

(b) No portion of the Demised Premises is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Demised Premises.

(c) The County has not received any notice from any insurance company which has issued a policy with respect to the Demised Premises or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which

repairs, alterations or other work have not been completed at the Facilities. The County has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting Demised Premises which is to be performed or complied with by it.

#### SECTION 6. Environmental Compliance

(a) Neither the County nor the Authority shall use or permit the Demised Premises or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Demised Premises and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath the Demised Premises or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of an office building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the County shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee or the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released, on, from or beneath the Demised Premises, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Demised Premises.

(b) The County and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Demised Premises free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The County and the Authority shall cause each tenant, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Demised Premises; provided, however, that notwithstanding that a portion of this covenant is limited to the County and the Authority's use of its best efforts, the Authority and the County shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the County and the Authority's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Demised Premises, the County and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).



(c) Irrespective of the truth or accuracy of any representation or warranty contained in Sections 5 and 6, the County and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Trustee and the Bondholders, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 6), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Demised Premises, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the County and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any of the Demised Premises, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the County is strictly liable under any Environmental Regulation, its obligation to the Trustee, Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 6(c) shall survive any termination of the Facility Lease or exercise of any remedies thereunder, and the satisfaction of all [County/Courthouse] Bonds and the resignation or removal of the Trustee. The Trustee shall be considered a third party beneficiary for enforcing the obligations of the County and the Authority under this Section 6.

(d) The County and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

#### SECTION 7. Owner in Fee

The County covenants that it is the owner in fee of the Demised Premises. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Authority and the Bondowners harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

## SECTION 8. Assignments and Subleases

Unless the County shall be in default under the Facility Lease, the Authority may not assign its rights under this Lease or sublet the Demised Premises and the Facilities, except pursuant to the Facility Lease, without the written consent of the County, which consent may be withheld in the County's sole and absolute discretion. Upon the occurrence of a default by the County under the Facility Lease, the Authority may assign or sell its rights under this Lease or sublet the Demised Premises and the Facilities, without the consent of the County[, subject to the provisions of that certain Subordination, Non-Disturbance and Attornment Agreement by and among the Trustee, the County, the Authority, and the California Administrative Office of the Courts.] [Q: Does this agreement need to be recorded?]

## SECTION 9. Right of Entry; Easements

The County reserves the right for any of its duly authorized representatives to enter upon the Demised Premises at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The County agrees, upon written request from the Authority, to grant to the Authority a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Demised Premises not having access to a public street, and appurtenant to such parcel, over property owned by the County to a public street. The County may, at any time, satisfy its obligation contained in the preceding sentence as to any such parcel of the Demised Premises by granting to the Authority an easement complying with the requirements of the preceding sentence from such parcel of the Demised Premises to a public street.

## SECTION 10. Termination

The Authority agrees, upon the termination of this Lease, to quit and surrender the Demised Premises and further agrees that any permanent improvements and structures existing upon the Demised Premises at the time of the termination of this Lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Facility Lease and upon payment of the option price required by said section, the term of this Lease shall terminate as to the portion of the Demised Premises upon which the part of the Facilities being so purchased is situated.

## SECTION 11. Default

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and the Trustee, the County may exercise any and all remedies granted by law, except that no merger of this Lease and of the Facility Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Lease by reason of any default on the part of the Authority if such termination would affect or impair any

assignment or sublease of all or any part of the Demised Premises then in effect between the Authority and any assignee or subtenant of the Authority (other than the County under the Facility Lease) [(including, but not limited to, the Administrative Office of the Courts as subtenant under that certain Lease Purchase Agreement by and between the County and the Administrative Office of the Courts)]. So long as any such assignee or subtenant of the Authority shall duly perform the terms and conditions of this Lease, such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any [County/Courthouse] Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondowners.

#### SECTION 12. Quiet Enjoyment

The Authority at all times during the term of this Lease, shall peaceably and quietly have, hold and enjoy all of the Demised Premises then leased hereunder.

#### SECTION 13. Waiver of Personal Liability

All liabilities under this Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the County hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Demised Premises, the Facilities and the 2014 Project. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Demised Premises, the Facilities or the 2014 Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Demised Premises, the Facilities or the 2014 Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

#### SECTION 14. Taxes

The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Demised Premises or the Facilities.

#### SECTION 15. Eminent Domain

In the event the whole or any part of the Demised Premises or the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding [County/Courthouse] Bonds and all other amounts due under the Indenture and the Facility Lease attributable to such part of the Facilities and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

#### SECTION 16. Partial Invalidity

If any one or more of the terms, provisions, covenants or conditions of this Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Lease shall be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

#### SECTION 17. Notices

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the County or the Authority, addressed to the County in care of County of Alameda, County Administrator's Office, 1221 Oak Street, Room 555, Oakland, CA 94612, in all cases with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

#### SECTION 18. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

#### SECTION 19. Amendment

The Authority and the County may at any time agree to the amendment of this Lease; provided, however, that the Authority and the County agree and recognize that this Lease is entered into as contemplated by the terms of the Indenture, and accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Indenture including any notice provisions contained in the Indenture.

#### SECTION 20. Execution

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the County

and the Authority, all with the same force and effect as though the same counterpart had been executed by both the County and the Authority.

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

COUNTY OF ALAMEDA,  
as Lessor

By \_\_\_\_\_  
[Name]  
Authorized Officer

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY,  
as Lessee

By \_\_\_\_\_  
[Name]  
Authorized Officer

**EXHIBIT A**

**Description of Demised Premises**

Real Property Upon Which East County Hall of Justice is to be Constructed

[See Attached]

Recording requested by  
and return to:

COUNTY OF ALAMEDA  
c/o Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, CA 94105-2669

Attention: Mary A. Collins, Esq. c/o Michele Bergland

---

**FACILITY LEASE**

by and between

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

and the

**COUNTY OF ALAMEDA**

Dated as of \_\_\_\_\_ 1, 2014

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THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND  
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928



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FACILITY LEASE

THIS FACILITY LEASE, dated as of \_\_\_\_\_ 1, 2014, by and between ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Authority"), a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement" by and between the County of Alameda and the Surplus Property Authority of Alameda County, as lessor, and the COUNTY OF ALAMEDA (the "County"), a body corporate and politic and a political subdivision of the State of California, as lessee;

WITNESSETH:

WHEREAS, the County has determined to finance the construction of the Alameda East County Hall of Justice as described in Exhibit C hereto, as the same may be changed from time to time (the "2014 Project");

WHEREAS, the Authority intends to assist the County in financing the 2014 Project by issuing the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A (the "County Bonds") pursuant to a master indenture, dated as of \_\_\_\_\_ 1, 2014, as supplemented by a first supplemental indenture, dated as of \_\_\_\_\_ 1, 2014 (as supplemented, the "Indenture"), by and between the Authority and [Trustee] (the "Trustee"), as trustee;

WHEREAS, the County will lease to the Authority the [County/Courthouse] [County/Courthouse] Demised Premises pursuant to the [County/Courthouse] Site Lease, dated as of \_\_\_\_\_ 1, 2014;

WHEREAS, the Authority shall construct the 2014 Project (once constructed, the "[County/Courthouse] Facilities") upon the Demised Premises;

WHEREAS, the County will lease back the [County/Courthouse] Facilities from the Authority pursuant to the terms of this Facility Lease;

WHEREAS, under this Facility Lease, the County will be obligated to make base rental payments to the Authority for the lease of the [County/Courthouse] Facilities;

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

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Facility Lease, have the meanings in Appendix A attached hereto and by this reference incorporated herein, which meanings shall be equally applicable to both the singular

and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

## ARTICLE II

### LEASE OF DEMISED PREMISES AND PROJECT; TERM

SECTION 2.01. Lease of [County/Courthouse] Facilities. The Authority hereby leases to the County and the County hereby leases from the Authority the [County/Courthouse] Facilities, including the Demised Premises, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Lease. The [County/Courthouse] Facilities shall consist of the [County/Courthouse] portion of the East County Hall of Justice. The County hereby agrees and covenants during the term of this Lease that, except as hereinafter provided, it will use the [County/Courthouse] Facilities for public and County purposes so as to afford the public the benefits contemplated by this Lease.

#### SECTION 2.02. Term; Occupancy.

(a) The term of this Lease shall commence on the date of recordation of this Lease in the office of the County Recorder of Alameda County, State of California, or on \_\_\_\_\_, 2014, whichever is earlier, and shall end on \_\_\_\_\_ 1, 20\_\_, unless such term is extended or sooner terminated as hereinafter provided. If on such termination date, the [County/Courthouse] Bonds corresponding to the Base Rental Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, shall not be fully paid, or if the rental payable hereunder with respect to such Facility shall have been abated at any time and for any reason, then the term of this Lease with respect to such Facility shall be extended until all [County/Courthouse] Bonds corresponding to the Base Rental Payments attributable to such Facility and all other amounts then due hereunder with respect to such Facility shall be fully paid, except that the term of this Lease as to the respective [County/Courthouse] Facilities shall in no event be extended beyond ten (10) years after such date. If prior to such date, all [County/Courthouse] Bonds corresponding to the Base Rental Payments attributable to the related Facility and all other amounts then due hereunder with respect to such Facility, shall be fully paid, or provision therefor made, the term of this Lease with respect to such Facility shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier.

SECTION 2.03. Substitution. [Assuming no such provision for the Courthouse Facility] The County and the Authority may substitute real property as part of the [County/Courthouse] Facilities for purposes of the Facility Lease upon filing with the Authority and the Trustee, with copies to each rating agency then providing a rating for the County Bonds, all of the following:

(a) Executed copies of the Facility Lease or amendments thereto containing the amended description of the [County/Courthouse] Facilities, including the Demised Premises, including the legal description of the Demised Premises as modified if necessary.

(b) A Certificate of the County with copies of the Facility Lease or a Site Lease, if needed, or amendments thereto containing the amended description of the [County/Courthouse] Facilities stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(c) A Certificate of the County evidencing that the annual fair rental value of the [County/Courthouse] Facilities which will constitute the [County/Courthouse] Facilities after such substitution will be at least equal to the maximum amount of Base Rental Payments becoming due in the then current year ending \_\_\_\_\_ 1 or in any subsequent year ending \_\_\_\_\_ 1.

(d) A policy of title insurance naming the County as insured owner showing good and merchantable title to the real property which will constitute the [County/Courthouse] Facilities after such substitution, or a Certificate of the County stating that, based upon review of such instruments, certificates or any other matters described in such Certificate of the County, the County has good merchantable title to the [County/Courthouse] Facilities which will constitute the [County/Courthouse] Facilities after such substitution. The term "Good Merchantable Title" shall mean such title as is satisfactory and sufficient for the needs and operations of the County.

(e) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the [County/Courthouse] Facilities.

(f) A Favorable Opinion of Bond Counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Indenture; (ii) complies with the terms of the Constitution and laws of the State and of this Indenture; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iv) will not cause the interest on the [County/Courthouse] Bonds to be included in gross income for federal income tax purposes.

### **ARTICLE III**

#### **RENTAL PAYMENTS; USE OF PROCEEDS**

SECTION 3.01. Base Rental Payments. Upon substantial completion of the 2014 Project the County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the [County/Courthouse] Facilities, including the Demised Premises (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments, in accordance with the Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. Base Rental Payments shall be calculated on an annual basis, for the twelve-month periods commencing on [June] 2 and ending on [June] 1, except that the first Rental Payment Period shall commence on the date of recordation of this Lease or a memorandum thereof in the office of the County Recorder of the County and shall end on [June] 1, 2015. Base Rental Payments shall be made on [December 1] and [June 1] [Note: discuss base rental payment timing w/r/t IPDs]. Each annual payment of Base Rent (to be payable in installments as aforesaid) shall be for the use of the [County/Courthouse] Facilities, including the Demised Premises.

If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on the 15th day of the month preceding each [June 1] and [December 1], and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Lease. Upon such extension of this Lease, the County shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the Base Rental Payments at Maximum Annual Rental or such lesser amount sufficient to pay all unpaid principal and interest on the [County/Courthouse] Bonds [plus interest].

[The County and the Authority agree that on each day on which Base Rental Payments are payable during the term of the Facility Lease, there shall be applied as a credit against the Base Rental Payments payable on such date for the [Courthouse] Facilities the amounts transferred to the 2014B Interest Subaccount and to the 2014B Principal Subaccount pursuant to and as further described in Section [15.07] of the [Second] Supplemental Indenture.] The Authority shall cause the Trustee to invoice the County not less than 30 days prior to June 1 or December 1 in the amount required for the Base Rental Payment net of such transfers.

SECTION 3.02. Additional Payments. The County shall also pay such amounts (herein called the “Additional Payments”) as shall be required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of this Lease or any pledge of Base Rental payable hereunder, the Indenture, its interest in the Demised Premises and the lease of the [County/Courthouse] Facilities to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the [County/Courthouse] Bonds, the Demised Premises, the [County/Courthouse] Facilities and the Project, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the [County/Courthouse] Bonds or of the Indenture; but not including in Additional Payments amounts required to pay the principal of or interest on the [County/Courthouse] Bonds.

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

The Authority has previously issued bonds pursuant to other agreements and may in the future issue bonds and may in the future enter into leases to finance facilities other than the [County/Courthouse] Facilities and the 2014 Project. The administrative costs of the Authority shall be allocated among said facilities and the [County/Courthouse] Facilities, as hereinafter in this paragraph provided. The fees of the Trustee under the Indenture, and any other expenses directly attributable to the [County/Courthouse] Facilities shall be included in the Additional

Payments payable hereunder. The fees of any trustee or paying agent under any trust agreement securing bonds of the Authority or any indenture other than the Indenture, and any other expenses directly attributable to any facilities other than the [County/Courthouse] Facilities, shall not be included in the administrative costs of the [County/Courthouse] Facilities and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably allocated among all such projects, including the 2014 Project, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the County Administrator or Assistant County Administrator, or a duly authorized representative of the County, endorsed thereon, in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the [County/Courthouse] Facilities.

SECTION 3.03. Fair Rental Value. Such payments of Base Rental Payments and Additional Payments for each rental period during the term of this Lease shall constitute the total rental for said rental period and shall be paid by the County in each rental payment period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the [County/Courthouse] Facilities, including the Demised Premises, during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each twelve-month period beginning December 2 represents the fair rental value of the [County/Courthouse] Facilities, including the Demised Premises for each such period. In making such determination, consideration has been given to the appraised value of the [County/Courthouse] Facilities, costs of demolition, site preparation, design, construction and financing of the 2014 Project, other obligations of the parties under this Lease, the uses and purposes which may be served by the [County/Courthouse] Facilities and the benefits therefrom which will accrue to the County and the general public.

SECTION 3.04. Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the corporate trust office of the Trustee, or such other place as the Authority shall designate. Any such installment of rental accruing hereunder which shall not be paid when due and payable under the terms of this Lease shall bear interest at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum, or such lesser rate of interest as may be permitted by law, from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Authority and the County, the County shall make all rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this Section on any date shall be reduced to the extent of amounts on deposit in the Revenue Fund and available therefor.

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

Rental is subject to abatement as provided in Section 3.06.

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

SECTION 3.05. Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments as shall be required to provide funds in such year for such Base Rental Payments and Additional Payments; provided that, the amount of Base Rental included in the County's initial budget each year shall not be less than the Base Rental set forth in Schedule B hereto for such year. The County will deliver to the Authority, [the Administrative Office of the Courts, the State Department of Finance, and the State Treasurer's Office,] and the Trustee by October 2 of each year a Certificate of the County stating that the budget as adopted appropriates all moneys necessary for the payment of Base Rental Payments and Additional Payments hereunder as so calculated. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the County.

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

SECTION 3.06. Rental Abatement. The Base Rental Payments shall be abated proportionately during any period in which by reason of any material damage or destruction (other than by condemnation which is hereinafter provided for) there is substantial



interference with the use and occupancy of the [County/Courthouse] Facilities and Demised Premises by the County, in the proportion in which the cost of that portion of the Demised Premises and the Project rendered unusable bears to the cost of the whole of the Demised Premises and the [County/Courthouse] Facilities. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this [County/Courthouse] Facilities Lease shall continue in full force and effect and the County waives any right to terminate this [County/Courthouse] Facilities Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, to the extent that moneys are available for the payment of rental payments in the Courthouse Construction Funds Account, rental payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said funds and account.

SECTION 3.07. Use of Proceeds. The parties hereto agree that the proceeds of the [County/Courthouse Bonds] will be used to finance the 2014 Project, to establish the Reserve Fund referred to in the Indenture and to pay the costs of issuing the [County/Courthouse] Bonds and incidental and related expenses. The County agrees to act as agent of the Authority and use the proceeds and other amounts deposited with the Trustee in the Project Fund to acquire and construct the 2014 Project with due diligence. The Authority hereby agrees to construct the 2014 Project in part with the proceeds of the [County/Courthouse] Bonds and to appoint the County as the agent to the Authority to provide for such construction. The Authority and the County agree that the 2014 Project will be constructed in accordance with the plans and specifications prepared by the designers of the 2014 Project and approved by the County.

## ARTICLE IV

### MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01. Construction of the 2014 Project. The Authority hereby agrees to construct the 2014 Project and hereby appoints the County as its agent to construct the 2014 Project. The County, for good and valuable consideration hereby accepts such appointment and further represents and warrants as follows:

(a) [The County has heretofore approved the plans and specifications for the 2014 Project and has satisfied all State approval, environmental, and construction permit requirements applicable thereto.]

(b) The County has procured a contract with a construction manager at risk for the construction of the 2014 Project and will enter into a contract with the Contractor, providing for the construction of the 2014 Project, which will require the Contractor to complete construction by [\_\_\_\_\_, \_\_, 20\_\_] at a cost not to exceed \$\_\_\_\_\_.

(c) The County agrees that upon substantial completion of the 2014 Project it will take possession of and occupy throughout the term of this lease the [County/Courthouse] Facility and the [County/Courthouse] Demised Premises under the terms and provisions of this

[County/Courthouse] Facilities Lease. Such substantial completion shall be evidenced either by a certificate of the Architects or by the occupancy by the County of the 2014 Project.

(d) The County may alter the 2014 Project or issue change orders altering the construction contract plans and specifications during the course of construction and the Authority agrees to cooperate fully with the County to cause such alterations or change orders to be implemented. The time within which the Contractors are required to complete the 2014 Project shall be extended for a period equal to any extensions for time to which the Contractors are entitled under the construction contracts and any delays resulting from other causes and events not within the reasonable control of the Contractors or of the Authority.

SECTION 4.02. Maintenance and Utilities. During such time as the County is in possession of the [County/Courthouse] Facilities, which will commence following completion of the 2014 Project, all maintenance and repair, both ordinary and extraordinary, of the [County/Courthouse] Facilities shall be the responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the [County/Courthouse] Facilities in compliance with applicable law, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the [County/Courthouse] Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the [County/Courthouse] Facilities resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the [County/Courthouse] Facilities. In exchange for the rental herein provided, the Authority agrees to provide once construction is complete only the [County/Courthouse] Facilities, including the Demised Premises.

SECTION 4.03. Changes to the [County/Courthouse] Facilities. Subject to Section 8.02 hereof, the County shall, at its own expense, have the right to remodel the [County/Courthouse] Facilities or to make additions, modifications and improvements to the [County/Courthouse] Facilities, including the Demised Premises. All such additions, modifications and improvements shall thereafter comprise part of the [County/Courthouse] Facilities and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not otherwise damage the [County/Courthouse] Facilities or cause them to be used for purposes other than those authorized under the provisions of state and federal law; and the [County/Courthouse] Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the [County/Courthouse] Facilities immediately prior to the making of such additions, modifications and improvements.

SECTION 4.04. Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the [County/Courthouse] Facilities, including the Demised Premises. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party

shall repair and restore any and all damage to the [County/Courthouse] Facilities resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the County from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the [County/Courthouse] Facilities, except as may be permitted by Section 8.02.

## **ARTICLE V**

### **INSURANCE**

SECTION 5.01. Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease, insurance against loss or damage to any structures constituting any part of the [County/Courthouse] Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and, if available on the open market from reputable insurance companies at a reasonable cost, earthquake insurance as determined by the County. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the [County/Courthouse] Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$500,000 or comparable amount adjusted annually for inflation or more in the case of earthquake insurance), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys held under the Indenture), in the event of total or partial loss, to enable all outstanding [County/Courthouse] Bonds and other obligations encumbering the 2014 Project to be redeemed.

In the event of any damage to or destruction of any part of the [County/Courthouse] Facilities, caused by the perils covered by such insurance, the Authority, except as hereinafter provided, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the [County/Courthouse] Facilities, and the Trustee shall hold said proceeds separate and apart from all other funds, in a special fund to be designated the "Insurance and Condemnation Fund," to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the [County/Courthouse] Facilities to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall permit withdrawals of said proceeds from time to time upon receiving the Written Request of the Authority, stating that the Authority has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred. Any balance of said proceeds not required for such repair, reconstruction or replacement shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.02 of the Indenture.

Alternatively, the Authority, at its option, with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to redeem an aggregate principal amount of outstanding Bonds, equal to the amount of Base Rental attributable to the portion of the [County/Courthouse] Facilities so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the [County/Courthouse] Facilities bears to the cost of the [County/Courthouse] Facilities proportionally reduced by the cost of facilities financed with funds other than Bond Funds), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the [County/Courthouse] Facilities and thereupon shall cause said proceeds to be used for the redemption of outstanding Bonds pursuant to the provisions of the Indenture.

The Authority and the County shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the [County/Courthouse] Facilities are damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the [County/Courthouse] Facilities, or, at the option of the County and the Authority, to redeem outstanding Bonds if such use of such disaster aid is permitted.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed annually with the Trustee a statement of an actuary, insurance consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable coverage for the risks required to be insured against. There shall also be filed a Certificate of the County setting forth the details of such substitute method or plan. In the event of loss covered by any such self insurance method, the liability of the County hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method.

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

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. So long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed annually with the Trustee a statement of an actuary, independent insurance consultant or other qualified person (which may be the Risk Manager of the County), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the County setting forth the details of such substitute method or plan.

SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, (but during the period of construction of the 2014 Project only if such insurance is not provided by a Contractor under a construction contract referred to in Section 3.07 hereof or in the corresponding section of any amendment hereto) rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the [County/Courthouse] Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County), in an amount sufficient to pay rent hereunder calculated as the highest annual Debt Service on the Bonds determined upon issuance for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed two hundred fifty thousand dollars (\$250,000) or a comparable amount adjusted for inflation (or more in the case of earthquake coverage). Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Lease attributable to such structure for a period of time during which the payment of rental under this Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Indenture.

SECTION 5.04. Worker's Compensation. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

SECTION 5.05. Title Insurance. The County shall obtain, for the benefit of the Authority and the Trustee, upon the execution and delivery of this Lease, title insurance on the East County Hall of Justice Demised Premises in an amount equal to the aggregate principal

amount of the [County/Courthouse] Bonds less the Reserve Fund Requirement, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

SECTION 5.06. Insurance Proceeds; Form of Policies. All policies of insurance required by Sections 5.01 and 5.03 hereof shall name the County, the Authority and the Trustee as insured and shall contain a lender's loss payable endorsement in favor of the Trustee substantially in accordance with the customary industry form. The Trustee shall, to the extent practicable, collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County. The County shall pay when due the premiums for all insurance policies required by this Lease, and shall promptly furnish evidence of such payments to the Authority.

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

SECTION 5.07. Performance Bonds for Construction. The County shall maintain performance, labor, and material payment bonds for each construction contract with respect to the 2014 Project in the full amount of each contract naming the Authority, the County and the Trustee as obligor and the contractor as principal. [To be revised.]

## ARTICLE VI

### DEFAULTS AND REMEDIES

SECTION 6.01. Defaults and Remedies. (a) If the County shall fail to pay any rental payable hereunder when the same becomes due, time being expressly declared to be of the essence of this Lease, or the County shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County for a period of sixty (60) days after notice of the same has been given to the County by the Authority or the Trustee or for such additional time as is reasonably required, in the sole discretion of the Authority, to correct the same, or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the County shall be

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

The County hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the [County/Courthouse]

Facilities as herein provided and all claims for damages that may result from the destruction of or injury to the [County/Courthouse] Facilities and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the [County/Courthouse] Facilities.

(b) If (1) the County's interest in this Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as hereinafter provided for, or (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County shall make a general or any assignment for the benefit of the County's creditors, or if (3) the County shall abandon or vacate the [County/Courthouse] Facilities, then the County shall be deemed to be in default hereunder.

(c) The Authority shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the County to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the County shall be entitled to pursue any remedy provided by law.

(d) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default as described in this Section, the Authority shall be entitled to proceed to protect and enforce the rights vested in the Authority by this Lease or by law. The provisions of this Lease and the duties of the County and of its trustees, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority shall have the right to bring the following actions:

(1) Accounting. By action or suit in equity to require the County and its trustees, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.



(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided herein.

The exercise of any rights or remedies under this Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the [County/Courthouse] Facilities. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

SECTION 6.02. Waiver. Failure of the Authority to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease.

## ARTICLE VII

### EMINENT DOMAIN; PREPAYMENT

SECTION 7.01. Eminent Domain. If the whole of the [County/Courthouse] Facilities, including the Demised Premises or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of this Lease shall cease as of the day that possession shall be so taken. If less than the whole of the [County/Courthouse] Facilities shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then this Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal and interest on the Outstanding Bonds will be reduced by the application of the award in eminent domain to the redemption of outstanding

Bonds. So long as any of the Bonds shall be outstanding, any award made in eminent domain proceedings for taking the [County/Courthouse] Facilities, including the Demised Premises or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the to the County.

SECTION 7.02. Prepayment. (a) The County shall prepay on any date from insurance (including proceeds of title insurance) and eminent domain proceeds, to the extent provided in Sections 5.01 and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the [County/Courthouse] Facilities caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the [County/Courthouse] Facilities, such proceeds shall be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the [County/Courthouse] Facilities, pursuant to the procedure set forth in Section 5.01 for proceeds of insurance), all or any part of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date (taking into account the reduction in Base Rental allocable to future interest on the Bonds that are redeemed), at a prepayment amount equal to the redemption payment of the maximum amount of Bonds, including the principal thereof and the interest thereon to the date of redemption, plus any applicable premium redeemable from such proceeds.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Indenture sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided that the County furnishes the Trustee with an Favorable Opinion of Bond Counsel that such deposit will not cause interest on the Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the [County/Courthouse] Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

(c) Before making any prepayment pursuant to this article, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.

(d) [When (1) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the [County/Courthouse] Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Indenture, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay

all principal, premium, if any, and interest on the Bonds to the due date of the Bonds or date when the County may exercise its option to purchase the [County/Courthouse] Facilities, as the case may be; (2) all requirements of Section 10.01 of the Indenture have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid, then and in that event the right, title and interest of the Authority herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Authority to have such moneys and such Permitted Investments applied to the payment of the Bonds) and the Authority's interest in and title to the 2014 Project or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Bonds or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Bonds or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Bonds or the option price and the fees and expenses of the Trustee.][Discuss whether needed.]

SECTION 7.03. Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Authority's interest in any part of [County/Courthouse] Facilities, including the Demised Premises upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Lease of the part of the total rent hereunder attributable to such part of the [County/Courthouse] Facilities (determined by reference to the proportion which the cost of such part of the [County/Courthouse] Facilities bears to the cost of all of the [bond financed][discuss] [County/Courthouse] Facilities). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the principal of the Bonds and interest on the Bonds and to redeem Bonds if such Bonds are subject to redemption pursuant to the terms of the Indenture. Upon the making of such payment to the Trustee and the satisfaction of all requirements set forth in Section 10.01 of the Indenture, (a) the Base Rental thereafter payable under this Lease shall be reduced by the amount thereof attributable to such part of the [County/Courthouse] Facilities and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Lease shall not thereafter be applicable to such part of the [County/Courthouse] Facilities, (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Lease need not be maintained as to such part of the [County/Courthouse] Facilities, and (d) title to such part of the [County/Courthouse] Facilities, including the portion of the Demised Premises upon which such part of the [County/Courthouse] Facilities is located shall vest in the County and the term of this Lease shall end as to [County/Courthouse] Facilities, including the portion of the Demised Premises upon which such part of the [County/Courthouse] Facilities is located.

The County, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the [County/Courthouse] Facilities,

and to release said personal property from this Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the [County/Courthouse] Facilities, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the [County/Courthouse] Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Authority. Any money so paid to the Authority may, so long as the County is not in default under any of the provisions of this Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the [County/Courthouse] Facilities leased hereunder. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

## **ARTICLE VIII**

### **COVENANTS**

SECTION 8.01. Right of Entry. The Authority and its assignees shall have the right to enter upon and to examine and inspect the [County/Courthouse] Facilities, including the Demised Premises, during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the County's rights or obligations under this Lease, and (c) for all other lawful purposes.

SECTION 8.02. Liens. In the event the County shall at any time during the term of this Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the [County/Courthouse] Facilities, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the [County/Courthouse] Facilities and shall keep the [County/Courthouse] Facilities free of any and all mechanics' or materialmen's liens or other liens against the [County/Courthouse] Facilities or the Authority's interest therein. In the event any such lien attaches to or is filed against the [County/Courthouse] Facilities or the Authority's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including

attorney's fees) as a result of any such lien or claim of lien against the [County/Courthouse] Facilities or the Authority's interest therein.

SECTION 8.03. Quiet Enjoyment. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the [County/Courthouse] Facilities, including the Demised Premises without suit, trouble or hindrance from the Authority.

SECTION 8.04. Authority Not Liable. The Authority and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the [County/Courthouse] Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the [County/Courthouse] Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the [County/Courthouse] Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05. Assignment and Subleasing. Neither this Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Bonds. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.06. Title to [County/Courthouse] Facilities. During the term of this Lease, the Authority shall hold a leasehold estate to the [County/Courthouse] Facilities and any and all additions which comprise fixtures, repairs, replacement or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the [County/Courthouse] Facilities, and except for any items added to the [County/Courthouse] Facilities by the County pursuant to Section 4.02 hereof. This provision shall not operate to the benefit of any insurance company if there is a rental interruption covered by insurance pursuant to Section 5.03 hereof.

Upon the termination or expiration of this Lease, the Authority shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of the [County/Courthouse] Facilities, including the Demised Premises by the County and to clarify the title of the County on the record thereof.

The leasing by the County to the Authority of the Demised Premises and the [County/Courthouse] Facilities and the subleasing by the Authority to the County pursuant hereto shall not effect or result in a merger of the County's leasehold estate pursuant to this

Lease and its fee estate as lessor under the Site Lease, and the Authority shall continue to have and hold a leasehold estate in the Demised Premises pursuant to the Site Lease throughout the term thereof. As to the Demised Premises and [County/Courthouse] Facilities, this Lease shall be deemed and constitute a sublease.

SECTION 8.07. Tax Covenants. The County and the Authority will not make any use of the proceeds of the [County/Courthouse] Bonds or any other funds of the County or the Authority which will cause such [County/Courthouse] Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The County and the Authority will not make any use of the proceeds of the [County/Courthouse] Bonds provided herein or any other funds of the County or the Authority which will cause such obligations to be “federally guaranteed” and subject to inclusion in gross income for federal income tax purposes by reason of Section 149(b) of the Code. To that end, so long as any rental payments are unpaid, the County and the Authority, with respect to such proceeds and such other funds, will comply with all requirements of such Sections 148 and 149(b) and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect.

The County further covenants that it will not use or permit the use of the [County/Courthouse] Facilities financed or refinanced by the proceeds of the Bonds by any person not an “exempt person” within the meaning of Section 141(a) of the Code or by an “exempt person” (including the County) in an “unrelated trade or business”, in such manner or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

If at any time the County is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Authority under this Lease or the Indenture, the County shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of the County set forth above, the County will comply with the Tax Certificate and will instruct the Trustee in writing as necessary to comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority for any actions taken by the Authority in accordance with such instructions.

The County and the Authority shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

SECTION 8.08. Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure

Certificate. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; however, the Trustee may [(and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Holders of at least 25% aggregate principal amount of County Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall)][to conform with Continuing Disclosure Certificate, when available] or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the County to comply with its obligations under this Section 8.08.

SECTION 8.09. Taxes. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the [County/Courthouse] Facilities or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Lease as and when the same become due.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Authority or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the [County/Courthouse] Facilities, the rentals and other payments required hereunder or any parts thereof or interests of the County or the Authority or the Trustee therein by any governmental authority.

The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the [County/Courthouse] Facilities will be materially endangered or the [County/Courthouse] Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

SECTION 8.10. Authority's Purpose. The Authority covenants that, prior to the discharge of this Lease, it will not engage in any activities inconsistent with the purposes for which the Authority is organized.

SECTION 8.11. Purpose of Lease. The County represents that the use and occupancy of the [County/Courthouse] Facilities is essential to the public purposes of the County. The County covenants that during the term of this Lease, except as hereinafter

provided, (a) it will use, or cause the use of, the [County/Courthouse] Facilities for public purposes and for the purposes for which the [County/Courthouse] Facilities are customarily used, (b) it will not vacate or abandon the [County/Courthouse] Facilities or any part thereof, and (c) it will not make any use of the [County/Courthouse] Facilities which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof.

## ARTICLE IX

### **DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE [COUNTY/COURTHOUSE] FACILITIES**

SECTION 9.01. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE [COUNTY/COURTHOUSE] FACILITIES OR THE 2014 PROJECT, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE [COUNTY/COURTHOUSE] FACILITIES OR THE 2014 PROJECT OR A DEALER THEREIN, THAT THE COUNTY LEASES THE [COUNTY/COURTHOUSE] FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the County's use of any item or products or services provided for in this Lease.

SECTION 9.02. Vendor's Warranties. The Authority hereby irrevocably appoints the County its agent and attorney-in-fact during the term of this Lease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the [County/Courthouse] Facilities or the 2014 Project, which the Authority may have against the manufacturers, vendors and contractors of the [County/Courthouse] Facilities or the 2014 Project. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the [County/Courthouse] Facilities or of the 2014 Project, and not against the Authority, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority with respect to this Lease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor.

SECTION 9.03. Use of the [County/Courthouse] Facilities. The County will not install, use, operate or maintain the [County/Courthouse] Facilities in violation of any applicable law or in a manner contrary to that contemplated by this Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the [County/Courthouse] Facilities. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the [County/Courthouse] Facilities) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or



jurisdiction over the [County/Courthouse] Facilities; provided, however, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to the [County/Courthouse] Facilities or its interest or rights under this Lease.

**ARTICLE X**

**MISCELLANEOUS**

SECTION 10.01. Law Governing. This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid:

If to the County or the Authority: County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612  
Attention: County Administrator  
Telephone: [(510) 272-6984]  
Fax: [(510) 272-3784]

If to the Trustee: [Trustee]  
\_\_\_\_\_  
\_\_\_\_\_  
Attention:  
Telephone:  
Fax:

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03. Validity and Severability. If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease under which the rentals are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the [County/Courthouse] Facilities, and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04. Triple Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the rentals provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 10.06. Amendment or Termination. The Authority and the County may at any time agree to the amendment or termination of this Lease; provided, however, that the Authority and the County agree and recognize that this Lease is entered into in accordance with the terms of the Indenture, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Indenture including any notice provisions contained in the Indenture.

SECTION 10.07. Execution. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

SECTION 10.08. Third Party Beneficiaries. To the extent that this Lease confers upon or gives or grants to the Trustee any right, remedy or claim under or by reason of this Lease, the Trustee is explicitly recognized as being a third party beneficiary hereunder and may enforce any such rights, remedy or claim conferred, given or granted.

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

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY,  
as Lessor

By: \_\_\_\_\_  
[Name]  
Authorized Officer

COUNTY OF ALAMEDA,  
as Lessee

By \_\_\_\_\_  
[Name]  
Authorized Officer

**EXHIBIT A**

**Description of the [County/Courthouse] Facilities**

East County Hall of Justice

[See Attached]

**EXHIBIT B**

**Base Rental Payment Schedule**

Fiscal Year Ending (June 30)	Principal	Interest	Annual Base Rental*
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\* Portions Payable on the 1st day of each month to the extent required, not to exceed the aggregate Annual Base Rental for such year.

## **EXHIBIT C**

### **2014 Project**

The term “2014 Project” means the planning, design, development, financing, construction, and completion of the East County Hall of Justice for the AOC and the County’s exclusive and non-exclusive occupancy and use, as provided in the DDA and the Lease-Purchase Agreement. The East County Hall of Justice Project will be comprised of approximately 196,219 gross square feet, together with all infrastructure, Parking Areas, Common Areas, and related grounds, landscaping, utility service connections, and any other improvements located on the Land. For the sake of clarity, the Parties acknowledge that such East County Hall of Justice building square footage in total and for the Courthouse Building, County Building, Shared Square Footage, and Common Areas and the Project Cost Formula derived therefrom, may not precisely correlate to the East County Hall of Justice building square footage set forth in the Design-Build Agreement or the actual, as-built East County Hall of Justice building square footage due to possible differences arising from the application of cost control mechanisms, value engineering, calculation methods, rounding, Field Directives, or Change Orders. The County acknowledges that the State Parties are not authorized to exceed either the maximum building square footage of the Court Facility or the State Project Cost pursuant to the Project Budget without the approval of the Judicial Council and the State legislature and absent such approvals the State Parties may be forced to reduce the scope or modify the quality of the Court Facility. Capitalized terms used in this description but not defined shall have the meanings given to them in the DDA.

**EXHIBIT D**

**FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION**

[Letterhead of County]

[Trustee]

\_\_\_\_\_  
\_\_\_\_\_

Attention:

Re:    \$\_\_\_\_\_ Alameda County Joint Powers Authority Lease Revenue  
      Bonds (East County Hall of Justice), 2014 Series A

Ladies and Gentlemen:

In accordance with the terms of the Facility Lease dated as of \_\_\_\_\_ 1, 2014 (the "Facility Lease"), by and between County of Alameda (the "County") and the Alameda County Joint Powers Authority (the "Authority"), the undersigned hereby certifies, on behalf of the County, that the construction of the 2014 Project and installation of tenant improvements and other improvements to the 2014 Project (as described in the Facility Lease) is substantially complete in accordance with the plans and specifications as of the dated date of this certificate and the 2014 Project is ready for use and occupancy by the County[, notwithstanding that construction may be subject to completion of minor architectural finish ("punch list") items].

This Certificate shall not constitute a Notice of Completion pursuant to Section 3093 of the California Civil Code, and the delivery of this Certificate by the County shall not prejudice any rights that the County may have with respect to any amount due to any party in connection with the acquisition, construction, installation, equipping of, and improvement to, the 2014 Project, including, but not limited to, any right to withhold payment of amounts designated or treated as retainage under construction contracts.

Dated as of: \_\_\_\_\_, 20\_\_\_\_.

COUNTY OF ALAMEDA

By: \_\_\_\_\_  
Title:

**APPENDIX A**

**DEFINITIONS**



**AGENCY AGREEMENT**

between the

**COUNTY OF ALAMEDA**

and the

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

Dated as of \_\_\_\_\_ 1, 2014

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## AGENCY AGREEMENT

This AGENCY AGREEMENT, dated as of [July] 1, 2014 (the "Agency Agreement"), by and between the COUNTY OF ALAMEDA (the "County"), a body corporate and politic and a political subdivision of the State of California and the ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Authority"), a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement" by and between the County and the Surplus Property Authority of Alameda County dated as of March 18, 2014;

### WITNESSETH:

WHEREAS, the Authority and the County have entered into two facility leases, each dated as of [July] 1, 2014 (the "Facility Leases"), whereby the Authority has agreed to cause to be constructed those public facilities and buildings described in the Facility Leases, together with demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, improvements and appurtenant and related facilities, namely the East County Hall of Justice (herein called the "2014 Project"), and to lease the 2014 Project to the County, as provided therein; and

WHEREAS, under and pursuant to the Facility Leases, the County is obligated to make base rental payments to the Authority for the lease of the 2014 Project; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the Agency Agreement do exist, 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 authorized to execute and enter into the Agency Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. County to Act as Agent for the Authority.

The Authority hereby appoints the County to act as the agent of the Authority in connection with the design and construction of the 2014 Project. The County, as the agent of the Authority for the foregoing purpose, shall cause the design and construction of the 2014 Project to be completed in accordance with the plans and specifications, bidding documents and construction contracts for the 2014 Project heretofore and hereafter approved by the County and in accordance with the Facility Leases and the Master Indenture, dated as of [July] 1, 2014 (as supplemented, the "Indenture"), by and between the Authority and [Trustee] (the "Trustee"), as trustee, and in accordance with any applicable requirements of governmental authorities and law. The Authority shall not be accountable for the acts of the County as its agent hereunder and the County hereby assumes total responsibility for the performance of its duties hereunder.

The County shall comply with all statutes and laws applicable to the construction of the 2014 Project, including all public bidding laws applicable to the construction of the 2014

Project by the County, all environmental laws and all laws, including all provisions of the Government Code of the State of California, regarding the design, site approval and construction of public projects, including the 2014 Project, by counties in the State of California.

Section 2. Acceptance.

The County, for good and valuable consideration in hand received, does hereby accept the foregoing appointment as agent of the Authority for the purposes set forth in Section 1 hereof.

Section 3. Disclaimers of the Authority.

The County acknowledges and agrees that the design of the 2014 Project has not been made by the Authority, that the Authority has not supplied any plans or specifications with respect thereto and that the Authority (a) is not a manufacturer of, nor a dealer in, any of the component parts of the 2014 Project or similar projects, (b) has not made any recommendation, given any advice nor taken any other action with respect to (1) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the 2014 Project or any component part thereof or any property or rights relating thereto, or (2) any action taken or to be taken with respect to the 2014 Project or any component part thereof or any property or rights relating thereto at any stage of the construction thereof, (c) has not at any time had physical possession of the 2014 Project or any component part thereof or made any inspection thereof or any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the 2014 Project or any component part thereof or any property or rights relating thereto (1) will not result in or cause injury or damage to persons or property, (2) has been or will be properly designed or constructed or will accomplish the results which the County intends therefor, or (3) is safe in any manner or respect.

The Authority makes no express or implied warranty or representation of any kind whatsoever with respect to the 2014 Project or any component part thereof in connection with the lease of the 2014 Project to the County or any other circumstance whatsoever with respect thereto, including but not limited to any warranty or representation with respect to: the merchantability or the fitness or suitability thereof for any purpose; the design or condition thereof; the safety, workmanship, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the title to or interest of the Authority thereof beyond that title or interest which the County obtains for the Authority pursuant hereto; the ability thereof to perform any function; that the proceeds derived from the sale of the Bonds will be sufficient to pay the cost of designing and constructing the 2014 Project; or any other characteristic of the 2014 Project; it being agreed that all risks relating to the 2014 Project or the transactions contemplated hereby, by the Facility Leases or by the Site Lease, are to be borne by the County, and the benefits of any and all implied warranties and representations of the Authority are hereby waived by the County.

Section 4. Capitalized Terms. Capitalized terms used herein shall have the meanings ascribed to such terms in the Facility Leases.

IN WITNESS WHEREOF, the Authority and the County have caused this Agency Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

ALAMEDA COUNTY JOINT POWERS  
AUTHORITY  
as Lessor

By \_\_\_\_\_  
Authorized Officer

COUNTY OF ALAMEDA,  
as Lessee

By \_\_\_\_\_  
Authorized Officer

**NEW ISSUE – FULL BOOK ENTRY**



**Ratings:**  
**Moody's:**  
**Standard & Poor's:**  
**Fitch:**  
**See: "RATINGS" herein.**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Series 2014 Bonds is exempt from State of California personal income taxes. Interest on the Series 2014 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*

**ALAMEDA COUNTY JOINT POWERS AUTHORITY  
 LEASE REVENUE BONDS  
 (EAST COUNTY HALL OF JUSTICE)**

\$ \_\_\_\_\_  
**2014 SERIES A**

\$ \_\_\_\_\_  
**2014 SERIES B**

**Dated: Date of Delivery**

**Due: December 1, as shown below**

**This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or terms of the above-captioned bonds. Investors are advised to read the entire Official Statement, including the section entitled "CERTAIN RISK FACTORS" to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.**

This Official Statement describes the Alameda County Joint Powers Authority's Lease Revenue Bonds (East County Hall of Justice), 2014 Series A (the "Series 2014A Bonds") and the Alameda County Joint Powers Authority's Lease Revenue Bonds (East County Hall of Justice) 2014 Series B (the "Series 2014B Bonds"). (Together, the Series 2014A Bonds and the Series 2014B Bonds are referred to herein as the "Series 2014 Bonds" and each as a "Series"). The Series 2014 Bonds are being issued pursuant to an Indenture, dated as of [July] 1, 2014 (the "Master Indenture"), by and between the Alameda County Joint Powers Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of [July] 1, 2014 relating to the Series 2014A Bonds (the "First Supplemental Indenture") and the Second Supplemental Indenture dated as of [July] 1, 2014 relating to the Series 2014B Bonds (the "Second Supplemental Indenture"), each by and between the Authority and Trustee (together the Master Indenture, the First Supplemental Indenture and the Second Supplemental Indenture are referred to as the "Indenture"). The Series 2014 Bonds are being issued to provide funds to finance a portion of the costs of acquisition, construction and equipping of the East County Hall of Justice (the "Project"), as described herein. The Series 2014A Bonds are also being issued to provide funds to: (i) fund the Series 2014A Reserve Account; (ii) pay capitalized interest payable with respect to the Series 2014A Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014A Bonds. The Series 2014B Bonds are also being issued to provide funds to: (i) fund the Series 2014B Reserve Account; (ii) pay capitalized interest payable with respect to the Series 2014B Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014B Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT."

The Series 2014 Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2014 Bonds, and individual purchases of the Series 2014 Bonds will be made in book-entry form only. Principal of, premium, if any, and interest on the Series 2014 Bonds will be payable by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Series 2014 Bonds, as described herein. See APPENDIX G: "BOOK-ENTRY ONLY SYSTEM." The Series 2014 Bonds will be issued in denominations of \$5,000 and any integral multiple thereof. Interest on the Series 2014 Bonds will be payable on June 1 and December 1 of each year, commencing [December 1, 2014], at the rates shown on the inside cover. See "DESCRIPTION OF THE SERIES 2014 BONDS – General."

**Each Series of the Series 2014 Bonds are subject to optional redemption prior to maturity as described herein.**

The Series 2014 Bonds are limited obligations of the Authority and are payable solely from and secured solely by (i) Revenues of the Authority, which are comprised primarily of Base Rental Payments paid by the County to the Authority pursuant to the Facility Leases (defined herein) for the use and occupancy of the Facilities (defined herein), (ii) amounts on deposit in certain funds pledged under the Indenture, and (iii) any other amounts (excluding Additional Payments) received by the Authority relating to the Facilities. The County has agreed in the Facility Leases to make all Base Rental Payments, subject to abatement of such Base Rental Payments in the event of material damage or destruction of the Facilities, in whole or in part. Subsequent to the issuance of the Series 2014 Bonds, the Authority may at any time, subject to conditions described in the Indenture, issue Additional Bonds payable from the Revenues and secured by a pledge of the Revenues equal to the pledge securing the Series 2014 Bonds under the Indenture. See "SECURITY FOR THE SERIES 2014 BONDS – Additional Bonds."

**The Series 2014 Bonds are equally and ratably secured solely by a pledge of the Revenues, which Revenues shall be held in trust for the security and payment of the principal of, redemption premiums, if any, and interest on the Series 2014 Bonds as provided in the Indenture. The Series 2014 Bonds do not constitute a debt, liability or obligation of the County or of the State of California or any political subdivision thereof or of the Judicial Council of California or the Administrative Office of the Courts, and neither the faith and credit nor the taxing power of any of the foregoing is pledged to the payment of the principal of or interest on the Series 2014 Bonds. The Authority has no taxing**

**Maturity Schedule  
 (see inside cover)**

*The Series 2014 Bonds are offered when, as and if issued, subject to the delivery of the legal opinion by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Authority in the form attached hereto as Appendix E, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority and for the County by County Counsel. Curls Bartling P.C., Oakland, California, served as Disclosure Counsel to the Authority and the County. Certain legal matters will be passed upon for the Underwriters by their counsel, Jackson Law, Berkeley, California. It is expected that the Series 2014 Bonds in book-entry form will be available for delivery through DTC in New York, New York, by Fast Automated Securities Transfer (FAST) on or about \_\_\_\_\_, 2014.*

**Siebert Brandford Shank & Co., L.L.C.  
 [Other Underwriters to Come]**

Dated:

\*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or filing under the securities laws of any such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS®**

\$ \_\_\_\_\_  
 ALAMEDA COUNTY JOINT POWERS AUTHORITY  
 LEASE REVENUE BONDS  
 (EAST COUNTY HALL OF JUSTICE)  
 2014 SERIES A  
 Base CUSIP: 010831

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>	<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>
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\$ \_\_\_\_\_  
 ALAMEDA COUNTY JOINT POWERS AUTHORITY  
 LEASE REVENUE BONDS  
 (EAST COUNTY HALL OF JUSTICE)  
 2014 SERIES B  
 Base CUSIP: 010831

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>	<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Suffix</u>
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**COUNTY OF ALAMEDA**

**Board of Supervisors  
(and Governing Board of the Alameda County Joint Powers Authority)**

Scott Haggerty, District 1 (Vice President)  
Richard Valle, District 2  
Wilma Chan, District 3  
Nate Miley, District 4  
Keith Carson, District 5 (President)

**County Officials**

Donald R. White, County Treasurer-Tax Collector  
Patrick O'Connell, County Auditor-Controller  
Susan S. Muranishi, County Administrator  
Donna Ziegler, County Counsel  
Anika Campbell-Belton, Clerk of the Board of Supervisors

**ALAMEDA COUNTY JOINT POWERS AUTHORITY**

**Officers**

Keith Carson  
President

Donald R. White  
Treasurer

Patrick O'Connell  
Auditor

Susan S. Muranishi  
Executive Director

Anika Campbell-Belton  
Secretary

**SPECIAL SERVICES**

**Bond Counsel**

Orrick, Herrington & Sutcliffe LLP  
San Francisco, California

**Disclosure Counsel**

Curls Bartling P.C.  
Oakland, California

**Financial Advisor**

Public Financial Management, Inc.  
San Francisco, California

**Trustee**

The Bank of New York Mellon  
Trust Company, N.A.  
San Francisco, California

**Agent for Sale**

The Honorable Bill Lockyer  
Treasurer of the State of California  
Sacramento, California



No dealer, broker, salesperson or other person has been authorized by the Authority, the County or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2014 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2014 Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website. The County also maintains a website. However, the information presented therein is not part of this Official Statement, is not incorporated by reference herein and must not be relied upon in making an investment decision with respect to the Series 2014 Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING  
FORWARD-LOOKING STATEMENTS IN  
THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information in APPENDIX A to this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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## OFFICIAL STATEMENT

### ALAMEDA COUNTY JOINT POWERS AUTHORITY LEASE REVENUE BONDS (EAST COUNTY HALL OF JUSTICE)

\$ \_\_\_\_\_\*  
2014 SERIES A

\$ \_\_\_\_\_\*  
2014 SERIES B

#### INTRODUCTION

*This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement. The offering of the Series 2014 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Introduction or on the cover page and not otherwise defined herein shall have the respective meanings assigned to them elsewhere in this Official Statement or APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – Definitions."*

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the County of Alameda, California (the "County"), the County has no obligation to update the information in this Official Statement. See "CONTINUING DISCLOSURE" herein.

#### Purpose and Overview

The purpose of this Official Statement, including the cover page, inside front cover and appendices hereto (the "Official Statement"), is to provide certain information concerning the issuance of the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A (the "Series 2014A Bonds") and the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice) 2014 Series B (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Series 2014 Bonds" and each a "Series"). The 2014 Bonds of each Series are being sold by the State Treasurer as agent for sale on behalf of the Alameda County Joint Powers Authority (the "Authority") and are being issued by the Authority pursuant to a Master Indenture, dated as of [July] 1, 2014, (the "Master Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of [July] 1, 2014 relating to the Series 2014A Bonds (the "First Supplemental Indenture") and the Second Supplemental Indenture dated as of [July] 1, 2014 relating to the Series 2014B Bonds (the "Second Supplemental Indenture"), each by and between the Authority and Trustee.

The Series 2014 Bonds are being issued to provide funds to finance a portion of the costs of acquisition, construction and equipping of the East County Hall of Justice (the "Project"). The Series 2014A Bonds are also being issued to provide funds to: (i) fund the Series 2014A Reserve Account; (ii) pay capitalized interest payable with respect to the Series 2014A Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014A Bonds. The Series 2014B Bonds are also being issued to provide funds to: (i) fund the Series 2014B Reserve Account; (ii) fund capitalized interest payable with respect to the Series 2014B Bonds on each Interest Payment Date through \_\_\_\_\_; and (iii) pay costs of issuance of the Series 2014B Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

**Series 2014A Bonds.** Pursuant to a Site Lease, dated as of [July] 1, 2014 (the "County Site Lease") by and between the County of Alameda (the "County") and the Authority, the County has leased to the Authority certain real property and improvements upon which the Authority will construct a portion of the Project, namely the County

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\*Preliminary, subject to change.

Facility (defined herein). Simultaneously with the County Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “County Facility Lease”), pursuant to which the Authority will lease the County Facility to the County and the County will agree to make Base Rental Payments and other payments during the term of the County Facility Lease. The Trustee will apply the Base Rental Payments it receives from the County to pay the principal of, premium, if any, and interest with respect to the Series 2014A Bonds when due, in accordance with the Indenture. See “THE PROJECT” and SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS.”

**Series 2014B Bonds.** Pursuant to a Site Lease, dated as of [July] 1, 2014 (the “Courthouse Site Lease”) by and between the County and the Authority, the County has leased to the Authority certain real property and improvements upon which the Authority will construct a portion of the Project, namely the Courthouse Facility (defined herein). Simultaneously with the Courthouse Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “Courthouse Facility Lease”), pursuant to which the Authority will lease the Courthouse Facility back to the County and the County will agree to make Base Rental Payments and other payments during the term of the Courthouse Facility Lease. The Trustee will apply the Base Rental Payments it receives from the County pursuant to the Courthouse Facility Lease to pay the principal of, premium, if any, and interest with respect to the Series 2014B Bonds when due, in accordance with the Indenture. The County intends to sublease the Courthouse Facility to the Judicial Council of California (the “Judicial Council”), acting by and through the Administrative Office of the Courts (the “AOC”). See “THE PROJECT” and SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS.”

### **The Authority**

The Authority was formed pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “State”) and a Joint Exercise of Powers Agreement, dated as of April 1, 2004 (the “Joint Exercise of Powers Agreement”), by and between the County and the Redevelopment Agency of the County of Alameda (the “Redevelopment Agency”). The Authority was formed to assist the County in the financing of public capital improvements. The Authority functions as an independent entity and its policies are determined by a five-member board composed of the five members of the County Board of Supervisors. The Authority has no employees and all staff work is done by County staff or by consultants to the Authority.

In 2011, the California legislature adopted ABx1 26 which dissolved California redevelopment agencies. ABx1 26 was upheld on December 29, 2011, by the California Supreme Court in California Redevelopment Association v. Matosantos. As a result, all California redevelopment agencies, including the Redevelopment Agency, were dissolved effective February 1, 2012. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties – Dissolution of the Redevelopment Agencies.” As of February 1, 2012, the Successor Agency of the Redevelopment Agency of the County of Alameda (the “Successor Agency”), which served as the successor agency to the Redevelopment Agency, replaced the Redevelopment Agency as a member of the Authority. As of March 18, 2014, pursuant to that First Amendment to Joint Exercise of Powers Agreement, dated as of March 18, 2014, by and among the County, the Successor Agency and the Surplus Property Authority of the County of the Alameda (the “Surplus Authority”), the Surplus Authority replaced the Successor Agency as a member. The Surplus Authority and the County executed an Amended and Restated Joint Exercise of Powers Agreement, dated as of March 18, 2014 (the “JPA Agreement”).

### **Authority for Issuance of the Series 2014 Bonds**

The Series 2014 Bonds are being issued by the Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), the JPA Agreement and the Indenture.

### **Security for the Series 2014 Bonds**

Each Series of Series 2014 Bonds are limited obligations of the Authority payable solely from, and secured solely by, a pledge of Revenues of the Authority, consisting primarily of Base Rental Payments to be

received by the Authority from the County under the County Facility Lease and the Courthouse Facility Lease (the “Facility Leases”) as well as amounts on deposit in certain funds and accounts pledged under the Indenture and any other amounts (excluding Additional Payments) received by the Authority with respect to the County Facility and Courthouse Facility (together, the “Facilities”). The Base Rental Payments to be paid by the County are payable from its General Fund for the right of use, possession and occupancy by the County of the Facilities. The County has agreed in each Facility Lease to make all Base Rental Payments, subject to abatement of such Base Rental Payments in the event of material damage to or destruction of such Facility or a taking of such Facility in whole or in part. See “THE PROJECT” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS.”

In addition to Base Rental Payments, the County is obligated under each Facility Lease to make Additional Payments for the payment of all costs and expenses incurred by the Authority in connection with the related Facility, including the taxes, fees, costs and expenses and all administrative costs of the Authority related to such Facility each year during the term of the Facility Lease. The County covenants in each Facility Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments in each of its annual budgets and to make the necessary annual appropriations for all such Base Rental Payments and Additional Payments. Additionally, the County has covenanted to procure or cause to be procured and maintained, throughout the term of the Facility Leases, certain insurance on the Facilities, some of which is self-insurance. The Series 2014 Bonds are not secured by the Additional Payments payable under the Facility Leases. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments.”

### **Additional Bonds**

The Indenture permits upon the satisfaction of certain conditions, the issuance of Additional Bonds secured by a pledge of the Revenues on parity with the Series 2014 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Additional Bonds” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE MASTER INDENTURE – Additional Bonds.”

### **Series 2014 Bonds Constitute Limited Obligations**

**The Series 2014 Bonds are limited obligations of the Authority and are payable solely from and secured solely by Revenues comprised primarily of Base Rental Payments paid by the County to the Authority pursuant to the Facility Leases for the use and occupancy of the Facilities, and from amounts on deposit in certain funds pledged under the Indenture. The Series 2014 Bonds are equally and ratably secured solely by a pledge of the Revenues, which Revenues shall be held in trust for the security and payment of the principal of, redemption premiums, if any, and interest on the Series 2014 Bonds as provided in the Indenture. The Series 2014 Bonds do not constitute a debt, liability or obligation of the County or of the State or any political subdivision thereof or of the Judicial Council or the AOC and neither the faith and credit nor the taxing power of the any of the foregoing is pledged to the payment of the principal of or interest on the Series 2014 Bonds. The Authority has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Pledge Under the Indenture” and “– Base Rental Payments; Additional Payments.”**

### **Certain Risk Factors**

There are certain risks associated with the purchase of the Series 2014 Bonds, some of which are set forth herein. See “CERTAIN RISK FACTORS.” Risk factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2014 Bonds.

### **Continuing Disclosure**

The County will file with the EMMA System, during the time any of the Series 2014 Bonds are Outstanding, certain financial information and operating data and notices of the occurrence of certain events in compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”). See “CONTINUING

DISCLOSURE.”

### **Summaries Not Definitive**

Brief descriptions of the Series 2014 Bonds, the Authority, the County and the Facilities are included in this Official Statement, together with summaries of the Site Leases, the Facility Leases, and the Indenture. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Series 2014 Bonds, the Site Leases, the Facility Leases, and the Indenture are qualified in their entirety by reference to the actual documents, or with respect to the Series 2014 Bonds, the forms thereof included in the Indenture, copies of all of which are available for inspection at the corporate trust office of the Trustee at 100 Pine Street, Suite 3100, San Francisco, CA 94111.

### **Additional Information**

The County regularly prepares a variety of publicly available reports, including audits, budgets and related documents and maintains a website, but none of these documents or the website is incorporated herein and must not be relied upon in making an investment decision. Any Owner of the Series 2014 Bonds may obtain a copy of any such report, as available, from the Trustee or the County. Additional information regarding this Official Statement may be obtained by contacting the Trustee or:

---

County of Alameda  
1221 Oak Street, Room 555  
Oakland, California 94612  
(510) 272-3862

## **DESCRIPTION OF THE SERIES 2014 BONDS**

The following is a summary of certain provisions of the Series 2014 Bonds. Reference is made to the Series 2014 Bonds for the complete text thereof and to the Indenture for a more detailed description of these provisions. The discussion herein is qualified by such reference. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

### **General**

The Series 2014 Bonds will be issued in the aggregate principal amount, mature on the maturity dates and bear interest at the rates, all as shown on the inside cover page of this Official Statement. The Series 2014 Bonds will be dated the date of original issuance.

The Depository Trust Company, or DTC, will act as the initial Securities Depository for each Series of the Series 2014 Bonds, which will be issued initially pursuant to a book-entry only system. See APPENDIX G: “BOOK-ENTRY ONLY SYSTEM” herein. Under the Indenture, the Authority may appoint a successor securities depository to DTC for the Series 2014 Bonds. The Owners of the Series 2014 Bonds have no right to insist upon a book-entry system for the Series 2014 Bonds. The information under this caption, “DESCRIPTION OF THE SERIES 2014 BONDS” is subject in its entirety to the provisions described in APPENDIX G: “BOOK-ENTRY ONLY SYSTEM” while the Series 2014 Bonds are in the book-entry only system.

Interest on each Series of the Series 2014 Bonds will be payable semiannually on June 1 and December 1 of each year, commencing [December 1, 2014] (each an “Interest Payment Date”), and is calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2014 Bond is issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof (“Authorized Denominations”), and bears interest from the Interest Payment Date next preceding its date of authentication, unless such date of authentication is during the period commencing after the fifteenth (15<sup>th</sup>) day of the month (whether or not such day is a Business Day)

immediately preceding an Interest Payment Date (the “Record Date”) through and including the next succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless such date of authentication is on or before the first Record Date, in which event it shall bear interest from the date of issuance of the Series 2014 Bonds; provided, that if on the date of authentication of any Series 2014 Bond, interest is then in default on any Outstanding Series 2014 Bonds of such Series, such Series 2014 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2014 Bonds of such Series.

### **Payment of Principal and Interest**

The Series 2014 Bonds are issued as fully registered bonds and are registered in the name of Cede & Co., as nominee of DTC in book-entry form and shall be evidenced by one bond for each maturity bearing a specified interest rate (each, a “maturity”), in the principal amount of the respective maturity. Individual purchases of interests in Series 2014 Bonds will initially be made in book-entry form only in Authorized Denominations. Purchasers of interests will not receive certificates representing their interests in the Series 2014 Bonds. For a description of the method of payment of principal of, premium, if any, and interest on the Series 2014 Bonds and matters pertaining to transfers and exchanges while in the book-entry only system, see APPENDIX G: “BOOK-ENTRY ONLY SYSTEM.”

So long as Cede & Co. is the registered owner of the Series 2014 Bonds, the Trustee for the Series 2014 Bonds will pay principal of and interest on the Series 2014 Bonds to DTC, which will remit principal, premium, if any, and interest payments to the Beneficial Owners of the Series 2014 Bonds (as described in APPENDIX G: “BOOK-ENTRY ONLY SYSTEM”).

In the event the Series 2014 Bonds are no longer in a book-entry only system, principal or redemption price of the Series 2014 Bonds will be payable at the Corporate Trust Office of the Trustee, and interest payments on the Series 2014 Bonds will be paid by check from the Trustee mailed by first class mail on such Interest Payment Date to such Owner of the Series 2014 Bonds as of the applicable Record Date; provided, however, that if an Owner of \$1,000,000 or more aggregate principal amount of the Series 2014 Bonds gives the Trustee written notice received by the Trustee prior to the applicable Record Date, the payment of principal and redemption price of, and interest on, the Series 2014 Bonds (other than the final payment of principal thereof) will be payable by wire transfer of immediately available funds.

### **Redemption of the Series 2014 Bonds\***

#### ***Optional Redemption.***

[Optional Redemption of the Series 2014A Bonds]. The Series 2014A Bonds maturing on or prior to December 1, 20\_\_ are not subject to optional redemption. The Series 2014A Bonds maturing on or after December 1, 20\_\_, are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part, on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after December 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Series 2014A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Each maturity of the Series 2014A Bonds is also subject to redemption prior to its stated maturity date at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after the first optional redemption date for such maturity set forth below and at a redemption price equal to such percentage of the principal amount of the Series 2014A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium, as set forth in the table below. *{Table to Come}*

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\*Preliminary, subject to change.





**Redemption from Net Proceeds.** Series 2014 Bonds of each Series are subject to redemption prior to their respective maturity dates, in Authorized Denominations, upon notice as provided in the Indenture, on any date, in whole or in part, selected as provided in the Indenture, from prepayments made by the County pursuant to the applicable Facility Lease of net proceeds of insurance or eminent domain proceeds with respect to the related Facility destroyed, damaged, stolen or taken, at the principal amount thereof together with accrued interest to the date of redemption, without premium.

**Redemption of Series 2014B Bonds from Turbo Redemption Account.** The Series 2014B Bonds are subject to redemption prior to their maturity dates, unless otherwise determined by the Authority, five (5) days after each Interest Payment Date, from funds on deposit in the Turbo Redemption Account. See APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – SUPPLEMENTAL INDENTURE – Turbo Redemption Account."

**Selection of the Series 2014 Bonds for Redemption.** The Authority will designate which maturities and principal amount of the Series 2014 Bonds are to be called for redemption in accordance with the Indenture. If less than all Outstanding Series 2014 Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Series 2014 Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Series 2014 Bonds so selected for redemption. For purposes of such selection, Series 2014 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

**Notice of Redemption.** Notice of redemption will be mailed by the Trustee, not less than 20 nor more than 60 days prior to the redemption date, to the respective Owners of the Series 2014 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee by first class mail. Each notice of redemption will state the date of such notice, the date of issue, the Series, the redemption date, the redemption price, place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2014 Bonds of such maturity to be redeemed and, in the case of Series 2014 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2014 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2014 Bonds be then surrendered at the address of the Trustee specified in the redemption notice.

Any notice of optional redemption of a Series of Series 2014 Bonds may be conditional, and if any condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, said notice will be of no force and effect and the Authority will not be required to redeem such Series of Series 2014 Bonds thereby called for redemption, and the redemption will be cancelled. Any optional redemption of the Series 2014 Bonds and notice thereof will be rescinded and cancelled if for any reason on the date fixed for optional redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2014 Bonds called for optional redemption and such failure to optionally redeem the Series 2014 Bonds called for redemption will not be a default under the Indenture. In addition, the Authority may, at its option, on or prior to the date fixed for optional redemption in any notice of optional redemption of the Series 2014 Bonds, rescind and cancel such notice of redemption by Written Request to the Trustee, who shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled. Failure to give the notice described herein or the insufficiency of any such notice will not affect the redemption of any Series 2014 Bond.

**Effect of Redemption.** Provided that notice of redemption has been duly given as described above and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, each Series of Series 2014 Bonds (or portions thereof) so called for redemption will be held by the Trustee, on the redemption date designated in such notice, the Series 2014 Bonds of such Series (or portions thereof) so called for redemption will become due and payable at the redemption price specified in such notice, together with interest accrued thereon to the date fixed for redemption. In such case, interest on the Series 2014 Bonds of a Series so called

for redemption will cease to accrue, said Series 2014 Bonds of a Series (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Series 2014 Bonds will have no rights in respect thereof except to receive payment of the redemption price and accrued interest thereon to the date fixed for redemption.

## **THE PROJECT**

The Authority will use the net proceeds of the Series 2014 Bonds, together with other moneys described in “PLAN OF FINANCE,” to finance the cost of construction of the East County Hall of Justice (the “Project”). The Project is a 20 acre site (approximately 196,216 gross square feet) located at the East County Government Center in the City of Dublin, which will consist of a new Superior Court of California courthouse and a new County office complex, including parking areas, common areas, and related grounds and utility service connections. The Project is comprised of 7 parcels, 4 of which comprise the County Facility and 3 of which comprise the Courthouse Facility, and will be adjacent to the County’s Santa Rita Jail, an 83 acre campus that includes an Alameda County Fire Department. Santa Rita Jail is the County’s main incarceration facility.

***The County Facility.*** The County Facility consists of all spaces, rooms and areas, including all related equipment, systems, fixtures and improvements contained within the approximately 42,284 gross square foot two-story office building to be constructed, which will include offices for the District Attorney, Public Defender, and Probation, and space for the Board of Supervisors, and a designated parking area, together with necessary easements over and in the common areas of the Project. Pursuant to a Site Lease, dated as of [July] 1, 2014 (the “County Site Lease”) by and between the County and the Authority, the County has leased to the Authority certain real property and improvements (the “County Demised Premises”) upon which the Authority will construct a portion of the Project, namely the County Facility. Simultaneously with the execution of the County Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “County Facility Lease”), pursuant to which the Authority will lease the County Facility back to the County and the County will make Base Rental Payments and other payments during the term of the County Facility Lease for the right to use, possess and occupy the County Facility.

***The Courthouse Facility.*** The Courthouse Facility consists of all spaces, rooms, and areas, including all related equipment, systems, fixtures and improvements contained within the approximately 146,331 gross square feet, five-story building to be constructed, which will include: thirteen (13) courtrooms for holding superior court, thirteen (13) chambers for judicial officers, spaces for secure holding of prisoners attending court sessions, all together with secure means of transferring the prisoners to and from the courtrooms, administrative support space, the information & technology space and a designated parking area, together with necessary easements over and in the common areas of the Project. Pursuant to a Site Lease, dated as of [July] 1, 2014 (the “Courthouse Site Lease”) by and between the County and the Authority, the County has leased to the Authority certain real property and improvements (the “Courthouse Demised Premises” and together with the County Demised Premises, the “Demised Premises”) upon which the Authority will construct a portion of the Project, namely the Courthouse Facility. Simultaneously with the execution of the Courthouse Site Lease, the Authority and the County will enter into a Facility Lease, dated as of [July] 1, 2014 (the “Courthouse Facility Lease”), pursuant to which the Authority will lease the Courthouse Facility back to the County and the County will make Base Rental Payments and other payments during the term of the Courthouse Facility Lease for the right to use, possess and occupy the Courthouse Facility.

The County and the Judicial Council of California (“Judicial Council”), acting by and through the Administrative Office of the Courts (“AOC”) have entered into a Lease-Purchase Agreement, dated as of \_\_\_\_\_, 2014, for the use and occupancy by the AOC of the Courthouse Facility (the “LPA”). The LPA is a sublease, and subordinate, to the Courthouse Facility Lease. Pursuant to the LPA, the AOC will sublease the Courthouse Facility for a term equal [to the term of the Courthouse Facility Lease.] Upon the expiration of the LPA or the defeasance of the Series 2014B Bonds (except where refunding bonds are issued) and upon satisfaction of certain transfer conditions set forth in the LPA, title to the Courthouse Facility will transfer and vest in the AOC. Pursuant to the LPA, the AOC is responsible for the operation, maintenance and repair of the Courthouse Facility throughout the term of the LPA, and has covenanted in the LPA to not to take any action or fail to take any action that would

adversely affect the exclusion from gross income of interest on the Series 2014 Bonds. The LPA provides that the AOC may not assign or sublet its interest under the LPA without the consent of the County and AOC may not place any encumbrance on the Courthouse Facility. In the event of a default by the AOC under the LPA, the County's only remedy is to terminate the LPA and re-enter and re-let the Courthouse Facility (in which case, the AOC's right to vest in the Courthouse Facility would also terminate). Payments by the AOC under the LPA are not pledged as security for the Series 2014 Bonds. The execution by the County of the LPA does not release the County of its obligations under the Courthouse Facility, including its obligation to make Base Rental Payments and Additional Payments. See also APPENDIX D: "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE-PURCHASE AGREEMENT."

Construction of the Project is expected to commence in \_\_\_\_\_, last 30 months, and is estimated to be ready for occupancy in \_\_\_\_\_. The total cost of the Project is estimated at \$147.7 million, of which approximately \$66.8 million\* is expected to be funded with the proceeds of the Series 2014 Bonds. See also "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES."

Design and construction of the Project is being managed by the County, pursuant to that Agency Agreement, dated as of [July 1], 2014, by and between the County and the Authority, pursuant to which the Authority appoints the County to act as the agent of the Authority in connection with the design and construction of the Project. A contract for construction of the Project is expected to be awarded [prior to or shortly after] the issuance of the Series 2014 Bonds. Interest on the Series 2014 Bonds of each Series is being capitalized to cover the period from the date of issuance of the Series 2014 Bonds of each Series to a date that is six months after the expected construction completion date for the Project. See "- Construction and Completion Risks of the Projects" below. The scheduled Base Rental Payments due under the County Facility Lease, together with capitalized interest on the Series 2014A Bonds, in the aggregate, are calculated to be sufficient to pay the principal of and interest on the Series 2014A Bonds. The scheduled Base Rental Payments due under the Courthouse Facility Lease, together with capitalized interest on the Series 2014B Bonds, in the aggregate, are calculated to be sufficient to pay the principal of and interest on the Series 2014B Bonds.

### **Construction and Completion Risks of the Projects**

Certain administrative, contract and design approvals, typical to these types of projects that are required to be obtained in order to commence construction have yet to be obtained the Project. All such approvals are expected to be obtained in accordance with the construction timeline for the Project.

During the construction period, the Project is subject to all of the ordinary construction risks and possible delays applicable to similar projects. Such risks include, but are not limited to: (i) submitted construction bids being over budget thereby causing all bids to be rejected or delays in project construction, or both, due to the redesign and rebid of the project; (ii) increased materials costs, labor costs or failure of contractors to perform within contract price, potentially resulting in insufficient funding of the project; (iii) inclement weather affecting contractor performance and timeliness of completion, which could affect the costs and availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors; (iv) natural disasters (including earthquake), operating risks or hazards or other unexpected conditions or events adversely affecting the progress of work; (v) contractor claims or nonperformance; (vi) work stoppages or slowdowns; (vii) failure of contractors to meet schedule terms; and (viii) the discovery of hazardous materials or other issues regarding compliance with applicable environmental standards, which can arise at any time during the construction of the project. *{Discussion of insurance during construction to come.}*

Each Facility Lease provides that the obligation of the County to make Base Rental Payments with respect to the related Facility is dependent upon substantial completion of the construction of the related Facility and delivery by the Authority to the County of possession of such Facility for its use and occupancy. Interest on the Series 2014 Bonds of each Series will be capitalized for six months beyond the scheduled construction completion date for the

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\*Preliminary, subject to change.

related Facility. If the Authority cannot deliver possession of a Facility, or any part thereof, by the date to which interest has been capitalized, Base Rental Payments for such Facility, or any part thereof, not delivered will be proportionately abated until such time as the Authority delivers possession. In such an event, amounts would be withdrawn from the applicable Reserve Account to the extent available to pay the principal of and interest on the Series 2014 Bonds when due. There can be no assurance that completion of the construction of the Project will not be delayed, preventing the Authority from delivering possession of the Facilities for use and occupancy by the date to which interest will be capitalized. An abatement of Base Rental is not an event of default and no remedy is available under any Facility Lease to the Holders of the applicable Series 2014 Bonds for nonpayment under such circumstances. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement.”

**PLAN OF FINANCE**

The estimated cost of construction of the Project is \$147.7 million, of which \$66.8 million\* is expected to be paid with proceeds from the Series 2014 Bonds. The Authority anticipates that the remainder of the Project Costs will be paid from equity contributions from the AOC, consisting of the following: (a) \$[49.4] million from the Immediate and Critical Needs Account of the State Court Facilities Construction Fund [upon approval by the State legislature]; (b) \$[12.6] million of the funds deposited into the County’s Courthouse Construction Fund; and (c) an \$[20.6] million of civil assessment revenues. Transfers of these funds will occur simultaneously with the issuance of the Series 2014 Bonds. See also “ESTIMATED SOURCES AND USES OF FUNDS.”

**ESTIMATED SOURCES AND USES OF FUNDS**

The following is a table of the estimated sources and uses of funds with respect to the Project and the Series 2014 Bonds:

<b>Sources of Funds</b>	<b><u>Series 2014A</u></b>	<b><u>Series 2014B</u></b>
Par Amount		
Original Issue Premium		
AOC Equity Contributions <sup>(1)</sup>		
<b>Total Sources</b>		
<hr/>		
<b>Uses of Funds</b>	<b><u>Series 2014A</u></b>	<b><u>Series 2014B</u></b>
Project Account		
Capitalized Interest Account <sup>(2)</sup>		
Reserve Account	(3)	(5)
Costs of Issuance Fund	(4)	(6)
<b>Total Uses</b>		

<sup>(1)</sup> See “PLAN OF FINANCE,” above.  
<sup>(2)</sup> Interest is capitalized with respect to the each Series of Series 2014 Bonds through \_\_\_\_\_, which date is 6 months after the expected construction completion date of the Project.  
<sup>(3)</sup> After this deposit, the Reserve Requirement for the Series 2014A Bonds will be satisfied. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Reserve Accounts.”  
<sup>(4)</sup> Includes certain legal fees, financing and consulting fees, underwriters’ discount, fees of Bond Counsel, Disclosure Counsel, Underwriters’ Counsel and the Financial Advisor, printing costs, rating agency fees, title insurance and other miscellaneous expenses relating to the Series 2014A Bonds.

\*Preliminary, subject to change.

- (5) After this deposit, the Reserve Requirement for the Series 2014B Bonds will be satisfied. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Reserve Accounts.”
- (6) Includes certain legal fees, financing and consulting fees, underwriters’ discount, fees of Bond Counsel, Disclosure Counsel, Underwriters’ Counsel and the Financial Advisor, printing costs, rating agency fees, title insurance and other miscellaneous expenses relating to the Series 2014B Bonds.

### **DEBT SERVICE REQUIREMENTS**

Base Rental Payments under the County Facility Lease are due and payable by the County to the Authority on each [May 15] and [November 15], commencing \_\_\_\_\_. Base Rental Payments under the Courthouse Facility Lease are due and payable by the County to the Authority on each [May 1] and [November 1], commencing \_\_\_\_\_.

Pursuant to the Indenture, on June 1 and December 1 of each year, commencing on [December 1, 2014], the Trustee will apply such amounts as are necessary to make principal, premium, if any, and interest payments with respect to the Series 2014 Bonds as the same will become due and payable, as shown on the table that follows.

#### **Debt Service Schedule\***

<u>Payment Date</u>	<u>Series 2014A Bonds</u>		<u>Series 2014B Bonds</u>		<u>Combined Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	

### **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS**

#### **Pledge Under the Indenture**

The Indenture provides that the Series 2014 Bonds and any Parity Obligations, are payable solely from, and secured by a lien on, (a) all Base Rental Payments paid by the County and received by the Authority under the Facility Leases (but not Additional Payments) and all interest and other income derived from any investment of money in any fund or account, other than the Rebate Fund established pursuant to the Indenture or the Facility Leases (together, the “Revenues”), (b) any other amounts (including proceeds of the sale of the Series 2014 Bonds) held by the Trustee in any fund or account established under the Indenture (except the Rebate Account), and (c) any other amounts (excluding Additional Payments) received the Authority in respect of the Facilities, all under the terms and conditions set forth in the Indenture. As and to the extent set forth in the Indenture, all the Revenues are irrevocably pledged for the security and payment of the Series 2014 Bonds, provided, however, that out of the Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Series 2014 Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from the Revenues derived from Base Rental Payments paid by the County for the use and

\*Preliminary, subject to change.

occupancy of the Facilities as long as the County has such use and occupancy of the Facilities, and from amounts on deposit in certain funds pledged under the Indenture. The Series 2014 Bonds of each Series are equally and ratably secured solely by a pledge of the Revenues, which Revenues are held in trust for the security and payment of the interest on, principal of and redemption premiums, if any, with respect to the Series 2014 Bonds as provided in the Indenture.

**The Series 2014 Bonds are special, limited obligations of the Authority and do not constitute a debt, liability or obligation of the County or of the State or any political subdivision thereof or of the Judicial Council or the AOC, and neither the faith and credit nor the taxing power of any of the foregoing is pledged to the payment of the principal of or interest on any Series 2014 Bonds. The Authority has no taxing power.**

### **Base Rental Payments; Additional Payments**

Revenues of the Authority pledged under the Indenture to the payment of the Series 2014 Bonds consist primarily of the Base Rental Payments to be made by the County to the Authority under the Facility Leases and interest and other income derived from certain funds held under the Indenture.

**General.** The County has covenanted in the Facility Leases, upon substantial completion of the Facilities, to pay to the Authority, as rental for the use and occupancy of the Facilities, the Base Rental Payments for all of the Facilities plus Additional Payments for the payment of all costs and expenses incurred by the Authority in connection with the Facilities as described in the Facility Leases, including without limitation, the taxes, fees, costs and expenses and all administrative costs of the Authority related to the Facilities. The Series 2014 Bonds are not secured by Additional Payments, nor by the lease payments made by the AOC to the County pursuant to the LPA.

Notwithstanding any dispute between the County and the Authority, the County must make all Base Rental Payments and Additional Payments when due without any right of deduction, set-off or counterclaim of any kind and will not withhold any such payments pending final resolution of such dispute. The Facility Leases are triple net leases and the County agrees that the rents will be an absolute net return to the Authority free and clear of any expenses, charges or set-offs whatsoever.

**Covenant to Budget and Appropriate.** In each Facility Lease, the County covenants to take such action as may be necessary to include Base Rental Payments and Additional Payments due under the Facility Lease in its annual budgets and to make the necessary annual appropriations for all such payments in such year that they become due. Such covenants are deemed by the County to be duties imposed by law, and it is the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants. The obligation of the County to make Base Rental Payments and Additional Payments may be abated in whole or in part if the County does not have use and possession of the Facilities.

The obligation of the County to make Base Rental Payments and Additional Payments under the Facility Leases do not constitute an obligation for which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Series 2014 Bonds nor the obligation of the County to make Base Rental Payments or Additional Payments constitutes an indebtedness of the County, the State or any of its political subdivisions or of the Judicial Council within the meaning of any constitutional or statutory debt limitation or restriction. See “CERTAIN RISK FACTORS – Base Rental Payments Not County Debt.”

**Abatement.** Base Rental Payments are paid by the County in each rental payment period for and in consideration of the right of use and occupancy of the Facilities during each such period. During any period in which by reason of material damage or destruction (excluding condemnation) there is substantial interference with the use and possession by the County of any portion of a Facility or the related Demised Premises, Base Rental Payments will be abated by an amount determined by the [rental value] that the portion of the Facility and the related Demised Premises rendered unusable bears to the [rental value] of the entire Facility and the related Demised Premises, and then Base Rental Payments will be abated such amount. Any abatement of Base Rental Payments will not be considered an Event of Default under the Facility Leases. Such abatement will continue for the period commencing

with the date of such damage and destruction, and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facility Lease continues in full force and effect and the County waives any right to terminate the Facility Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, in the event all or a portion of the Courthouse Facility that has been damaged or destroyed, to the extent that moneys are available for the payment of Base Rental Payments in the Courthouse Construction Funds Account, Base Rental Payments shall not be abated as provided above but, rather, shall be payable by the County as a special obligation payable solely from said account. In the event a Facility cannot be repaired, replaced or rebuilt from the proceeds of insurance, if any, the County agrees to apply for and use its best efforts to obtain any state and/or federal disaster relief funds to repair, replace or rebuild the Facility. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE – Fire and Extended Coverage Insurance” and “– Rental Interruption or Use and Occupancy Insurance.”

***Fire and Extended Coverage Insurance.*** Each Facility Lease requires the County to procure or cause to be procured and to maintain or cause to be maintained throughout the term of the Facility Lease insurance against risk of loss or damage to any structures constituting any part of the related Facility by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance, and earthquake insurance if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. The extended insurance coverage will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance will be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facility, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to a deductible clause for any one loss of not to exceed \$500,000 or comparable amount adjusted for inflation or more in the case of any earthquake insurance that the County may obtain), or, in the alternative, will be in an amount and in a form sufficient (together with moneys under the Indenture), in the event of total or partial loss, to enable the related Series of Series 2014 Bonds and other obligations encumbering the Project to be redeemed. Pursuant to the Facility Leases, the County may self-insure for such risks. The County currently utilizes a combination of deductibles, participation in insurance pools and purchased insurance coverage for protection against adverse losses. The County currently insures all of its real property through a commercial all-risk property insurance policy in the approximate coverage amount of \$2.4 billion, subject to a \$600,000,000 per claim limit and a \$50,000 deductible. In addition, the County purchases commercial flood insurance in the approximate coverage amount of \$2.4 billion, subject to a \$400,000,000 per claim limit and a deductible of 2 percent of total values per unit up to \$25,000, except that in flood zones A/V the maximum deductible is \$100,000. [Once completed and delivered, each Facility will be covered by the County’s flood insurance policy.] The County also purchases earthquake insurance through the California State Association of Counties-Excess Insurance Authority property insurance pool in the approximate coverage amount of \$560 million, subject to certain limits and a deductible of 5 percent of replacement value per unit per occurrence, with a \$100,000 minimum deductible. [Once completed and delivered, each Facility will be covered by the County’s earthquake policy.] See APPENDIX A: “THE COUNTY OF ALAMEDA – RISK MANAGEMENT – Self-Insurance and Purchased Insurance” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE – Fire and Extended Coverage Insurance.” The proceeds of property insurance must be used to repair, reconstruct or replace the related Facility or any portion thereof which is destroyed or damaged or to redeem all related Series of Outstanding Series 2014 Bonds.

***Rental Interruption or Use and Occupancy Insurance.*** Each Facility Lease requires the County to procure or cause to be procured and to maintain or cause to be maintained throughout the term of the Facility Lease (but not during the period of construction of the Project, if such insurance is provided by the general contractor for the Project) a commercial policy of rental interruption or use and occupancy insurance to cover loss of the rental income from, or loss of the use of, the related Facility as a result of any of the hazards covered by its fire and extended coverage insurance in an amount sufficient to pay rent under the Facility Lease calculated at the highest Annual Debt Service on the related Series of Series 2014 Bonds determined upon issuance for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed \$250,000 or a comparable amount adjusted for inflation [or more in the case of earthquake insurance and except that such insurance need be maintained as to the



peril of earthquake only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County.]

**Title Insurance.** Pursuant to the Facility Leases, the County will obtain, for the benefit of the Authority and the Trustee, a title insurance policy on the Demised Premises, subject only to Permitted Encumbrances, in an amount equal to the aggregate principal amount of the related Series of Series 2014 Bonds [less the applicable Reserve Account Requirement], issued by a title insurance company of recognized standing.

See APPENDIX A: “THE COUNTY OF ALAMEDA – RISK MANAGEMENT – Self-Insurance and Purchased Insurance” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE – Insurance – Fire and Extended Coverage Insurance” and “– Rental Interpretation or Use and Occupancy Insurance.”

**Liability Insurance.** Each Facility Lease requires the County to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Facility Lease, a standard comprehensive general liability insurance policy or policies in protection of the Authority, [the County], and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the related Facility, with minimum liability limits of \$[1,000,000] for personal injury or death of each person and \$[3,000,000] for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$[200,000] for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$[3,000,000] covering all such risks, or in the form of a combination of self-insurance, pooled coverage and purchased insurance policies.

**Default and Remedies.**

Upon an Event of Default of a Facility Lease described below, the County will be deemed to be in default under such Facility Lease and the Trustee[, as assignee of the rights of the Authority,] may exercise any and all remedies available pursuant to law or under the Facility Lease to enforce payment of Base Rental Payments when due, or to exercise all remedies. Events of Default under the Facility Leases include (i) the failure of the County to pay any rental payable under the Facility Lease when the same becomes due and payable, (ii) the failure of the County to keep, observe or perform any term, covenant or condition of the Facility Lease or the Indenture to be kept or performed by the County after notice and the elapse of a 60-day grace period and (iii) the bankruptcy or insolvency of the County.

The Trustee, in addition to all other rights and remedies it may have at law, has the option to do any of the following:

(i) To terminate the Facility Lease and retake possession of the Facility. In the event of such termination, the County agrees to immediately surrender possession of the Facility, and to pay the Trustee all damages recoverable at law that the Trustee may incur by reason of default by the County. No termination of the Facility Lease on account of default by the County will be or become effective by operation of law or acts of the parties to the Facility Lease, unless and until the Trustee has given written notice to the County of the election on the part of the Trustee to terminate the Facility Lease.

(ii) Without terminating the Facility Lease, (a) collect each installment of rent as it becomes due and enforce any other term or provision of the Facility Lease to be kept or performed by the County, and/or (b) exercise any and all rights to retake possession of the related Facility. In the event the Trustee does not elect to terminate the Facility Lease in the manner provided for in subparagraph (i) above, the County will remain liable and agrees to keep or perform all covenants and conditions contained in the Facility Lease and to pay the rent to the end of the term of the Facility Lease or, in the event that the Facility is re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as provided for under the Facility Lease (without acceleration).

Should the Trustee elect to retake possession of the Facilities, under the terms of the Facility Lease the County irrevocably appoints the Trustee as the agent and attorney-in-fact of the County to re-let the Facilities, or any items thereof, from time to time, either in the Trustee's name or otherwise, upon such terms and conditions and for such use and period as the Trustee may deem advisable and the County indemnifies the Trustee from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any retaking of possession of and re-letting of the Facilities by the Trustee or its duly authorized agents in accordance with the Facility Lease.

Remedies, upon an Event of Default, do not include accelerating the obligations of the County to pay Base Rental Payments under the Facility Lease. An Event of Default under a Facility Lease does not trigger an Event of Default under the other Facility Lease.

For a further description of the provisions of the Facility Leases, including the terms thereof and a description of certain covenants therein, including maintenance, utilities, taxes, assessments, insurance and other events of default and available remedies, see APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY LEASE" attached hereto.

For information regarding the County, see APPENDIX A and APPENDIX C attached hereto. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS" herein.

### **Substitution of Property**

Pursuant to the County Facility Lease, the County and the Authority may amend the County Facility Lease and the County Site Lease to substitute other real property as part of the County Facility, upon filing with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Series 2014A Bonds, all of the following:

(a) Executed copies of the County Facility Lease or amendments thereto containing the amended description of the County Facility, including the legal description of the Demised Premises, as modified, if necessary;

(b) A Certificate of the County with copies of the County Facility Lease (and County Site Lease, if needed) or amendments thereto containing the amended description of the County Facility stating that such documents have been duly recorded in the official records of the County Recorder of the County;

(c) A Certificate of the County evidencing that the annual fair rental value of the County facilities that will constitute the County Facility after such substitution will be at least equal to the maximum amount of Base Rental Payments becoming due in the then current year ending \_\_\_\_\_ 1 or in any subsequent year ending \_\_\_\_\_ 1;

(d) A policy of title insurance naming the County as insured owner showing good and merchantable title to the real property that will constitute the County Facility after such substitution, or a Certificate of the County stating that, based upon review of such instruments, certificates or any other matters described in such Certificate of the County, the County has good merchantable title to the County facilities that will constitute the County Facility after such substitution. The term "Good Merchantable Title" shall mean such title as is satisfactory and sufficient for the needs and operations of the County;

(e) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the County Facility; and

(f) A Favorable Opinion of Bond Counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Indenture; (ii) complies with the terms of the Constitution and laws of the State and of the Indenture; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County; and (iv) will not cause the interest on the Series 2014A Bonds to be included in gross income for federal income tax purposes.

**No substitution of property is permitted under the Courthouse Facility Lease with regards to the Courthouse Facility.**

### **Reserve Accounts**

The First Supplemental Indenture establishes a reserve account in the Reserve Fund (the “Series 2014A Reserve Account”) for the Series 2014A Bonds. The Series 2014A Reserve Account is required to be funded in the amount of the Series 2014A Reserve Account Requirement, which as of any date of calculation, is the least of (i) 10 percent of the stated principal amount of all Series 2014A Bonds and any Additional Bonds Outstanding secured by the Series 2014A Reserve Account, (ii) Maximum Annual Debt Service on all Series 2014A Bonds and any Additional Bonds Outstanding secured by the Series 2014A Reserve Account, or (iii) 125 percent of average Annual Debt Service on all Series 2014A Bonds and Additional Bonds Outstanding secured by the Series 2014A Reserve Account. Upon the issuance of the Series 2014A Bonds, the Authority will deposit \$\_\_\_\_\_ into the Series 2014A Reserve Account. All money in the Series 2014A Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account in such order, in the event of any deficiency at any time in either of such accounts on a Principal Payment Date or Interest Payment Date, or for the purposes of paying the interest, principal or redemption premiums, if any, with respect to the Series 2014A Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all the Series 2014A Bonds, on the terms described in the Indenture.

The Second Supplemental Indenture establishes a reserve account in the Reserve Fund (the “Series 2014B Reserve Account”) for the Series 2014B Bonds. The Series 2014B Reserve Account is required to be funded in the amount of the Series 2014B Reserve Account Requirement, which as of any date of calculation, is the least of (i) 10 percent of the stated principal amount of all the Series 2014B Bonds and any Additional Bonds Outstanding secured by the Series 2014B Reserve Account, (ii) Maximum Annual Debt Service on all Series 2014B Bonds and any Additional Bonds Outstanding secured by the Series 2014B Reserve Account, or (iii) 125 percent of average Annual Debt Service on all Series 2014B Bonds and Additional Bonds Outstanding secured by the Series 2014B Reserve Account. Upon the issuance of the Series 2014B Bonds, the Authority will deposit \$\_\_\_\_\_ into the Series 2014B Reserve Account. All money in the Series 2014B Reserve Account will be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account, in such order, in the event of any deficiency at any time in either of such accounts on a Principal Payment Date or Interest Payment Date, or for the purposes of paying the interest, principal or redemption premiums, if any, with respect to the Series 2014B Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all the Series 2014B Bonds, on the terms described in the Indenture. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE MASTER INDENTURE – Reserve Account” attached hereto.

Amounts on deposit in, or credited to, the Series 2014A Reserve Account will be available only to pay debt service on the Series 2014A Bonds and amounts on deposit in, or credited to, the Series 2014B Reserve Account will be available only to pay debt service on the Series 2014B Bonds. Amounts on deposit in the 2014A Reserve Account are not available for the payment of debt service on the Series 2014B Bonds, and amounts on deposit in the Series 2014B Reserve Account are not available for the payment of debt service on the Series 2014A Bonds.

### **Investment of Funds and Accounts**

Pursuant to the Indenture, all money held by the Trustee in any of the funds or accounts established pursuant to the Indenture are required to be invested only in “Permitted Investments” as defined in the Indenture. See APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – DEFINITIONS” attached hereto.

### **Additional Bonds**

In addition to the Series 2014 Bonds, the Authority may, pursuant to the Indenture, issue Additional Bonds, subject to the satisfaction of certain conditions contained in the Indenture, including, among others:

(a) The Authority will be, as evidenced by a Certificate of the Authority, in compliance with all agreements and covenants contained in the Indenture;

(b) The related Supplemental Indenture shall require that the proceeds of the sale of such Additional Bonds shall be applied to the acquisition (by purchase or lease) or construction of facilities to be added to the Facilities or for the refunding of Outstanding Series 2014 Bonds of one or more series;

(c) The aggregate principal amount of Series 2014 Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by the Indenture or by any Supplemental Indenture;

(d) The applicable Facility Lease will have been amended if necessary, and duly recorded in the official records of the County Recorder of the County, so that the aggregate Base Rental Payments payable by the County thereunder is sufficient to pay principal of and interest on the Outstanding Series 2014 Bonds and such series of Additional Bonds;

(e) If any property is added to the description of any Facility in connection with the issuance of such Series of Additional Bonds, a policy of title insurance in an amount equal to the aggregate principal amount of the Bonds, if any, then Outstanding, insuring the County's leasehold interest in the Facility (except any portion thereof that is not real property) subject only to Permitted Encumbrances;

(f) The applicable Facility Leases shall have been amended and duly recorded in the official records of the County Recorder of the County, so as to lease to the County the project being financed from the proceeds of such Additional Bonds or facilities of comparable worth and economic life; and

(g) If any property is added to the description of the related Facility in connection with the issuance of such Series of Additional Bonds, evidence that the County has complied with the covenants relating to the maintenance of insurance on such Facility contained in the Facility Lease with respect to any such added property.

The Additional Bonds will be payable solely from and secured solely by Revenues on parity with Outstanding Series 2014 Bonds as provided in the Indenture, and from amounts on deposit in certain funds pledged under the Indenture. The pledge of and charge and lien upon the Revenues is equal to the pledge, charge and lien securing the Outstanding Series 2014 Bonds, if any, theretofore issued under the Indenture, subject to the terms and conditions of the Indenture. See APPENDIX C: "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE MASTER INDENTURE – Additional Bonds" attached hereto.

### **CERTAIN RISK FACTORS**

The following factors, along with other the information in this Official Statement, should be considered by potential investors in evaluating the risks associated with the purchase of the Series 2014 Bonds. The following does not purport to be an exhaustive list of risk factors and other considerations that may be relevant to an investment in the Series 2014 Bonds. There can be no assurance that other risk factors will not become evident at any future time. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

#### **Base Rental Payments Not County Debt**

The obligation of the County to pay Base Rental Payments does not constitute an obligation of the County to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. Neither the Series 2014 Bonds nor the obligation of the County to pay Base Rental Payments constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction of the State, or a pledge of the faith and credit of the County, the Authority or the State or any of its political subdivisions. The obligation of the County to

pay Base Rental Payments is in consideration of the right to the continued use and possession of the Property. In the event of failure of such use and possession, the obligations of the County may be abated in whole or in part as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement.” **The obligations of the AOC to make its lease payments under the LPA for the Courthouse Facility do not constitute indebtedness with the meaning of any constitutional or statutory debt limitation or restriction, or a pledge of the faith and credit of the Judicial Council or the AOC.**

### **Construction and Completion Risks**

Construction of the Project has not yet commenced. During the construction period, the Project will be subject to the ordinary construction risks and possible delays applicable to similar projects. Such risks include, but are not limited to: (i) construction bids being over budget; (ii) increased materials costs, labor costs or failure of contractors to perform within contract price; (iii) inclement weather affecting contractor performance and timeliness of completion; (iv) natural disasters, operating risks or hazards or other unexpected conditions or events; (v) contractor claims or nonperformance; (vi) work stoppages or slowdowns; (vii) failure of contractors to meet schedule terms; and (viii) the discovery of hazardous materials on a site or other compliance issues with applicable environmental standards. See “THE PROJECT — Construction and Completion Risks of the Project.”

Interest on each Series of the 2014 Bonds will be capitalized for six months beyond the respective scheduled construction completion date for the Project. There can be no assurance that completion of the construction of the Project will not be delayed, preventing the Authority from delivering possession of the Facilities for use and occupancy by the date to which interest will be capitalized. **If the Authority cannot deliver possession of the Project by the date to which capitalized interest is provided or cannot deliver possession of a Facility by the date set forth in the related Facility Lease, then Base Rental Payments for such Facility, or any part thereof, will be abated until possession is delivered.** In such an event, amounts would be withdrawn from the \_\_\_\_\_ to the extent available to pay the principal of and interest on the applicable Series of Series 2014 Bonds when due. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement.”

### **State of California Financial Condition; County Reliance on State Budget**

*{To be updated.}* The State continues to experience significant budgetary stress which could result in future reductions or deferrals in amounts payable to the County. The State budget has experienced deficits for the past several years. In addressing these deficits in the recent past, the State has reduced transfers of State general fund money to local governments, including the County.

The County receives approximately 36 percent of its General Fund revenues from the State as payment for services provided by the County on behalf of the State. Such revenues are subject to severe cutbacks when State revenues are reduced. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties.” See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS – Proposition 1A” below for a discussion of actions the State has taken and may take in the future to shift certain property tax revenues from local governments (including the County). See also APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties” for discussion of the transfer of 1 percent of State sales tax to fund realignment of certain services to local governments.

The County cannot predict the extent of the budgetary problems that the State may encounter in this or in any future fiscal years, nor is it clear what measures will be taken by the State to balance its budget, as required by law. Accordingly, the County cannot predict the manner in which the State will implement the 2014 Budget Act, the outcome of future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and

other factors over which the County has no control. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties.”

### **Appropriation**

The County is obligated under each Facility Lease, subject to abatement under certain circumstances, to pay Base Rental Payments from any source of legally available funds (except to the extent that moneys representing capitalized interest are used). The County has agreed in each Facility Lease to take such action as may be necessary to include all Base Rental Payments and other amounts due under the Facility Lease in its annual budgets and to make necessary annual appropriations for all such payments. However, the County is currently liable on other obligations payable from General Fund revenues that may have a priority over the Base Rental Payments, and the Facility Leases do not prohibit the County from incurring additional obligations payable from General Fund revenues concurrently with or prior to the Base Rental Payments. See “APPENDIX A: THE COUNTY OF ALAMEDA” and the financial statements included as part of APPENDIX B: “COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2013.” In the event the County’s revenue sources are less than its total obligations, the County could choose to fund other expenditures before making Base Rental Payments and other payments due under the Facility Leases. The same result could occur if, because of State Constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues.

The County’s ability to collect, budget and appropriate various General Fund revenues is subject to current and future State laws and constitutional provisions, and it is possible that the interpretation and application of these provisions could result in an inability of the County to pay Base Rental Payments when due. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS” below.

### **Limitation on Sources and Decline of Revenues; Additional Expenditures**

There are limitations on the ability of the County to increase revenues payable to the County General Fund. The ability of the County to increase taxes (including ad valorem property taxes that have historically been a primary source of revenue for counties in California) is limited by Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 62, 1A, 22 and 26. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS” herein.

*{To be updated.}* Until three years ago, the County’s property tax assessment roll had grown each year since the 1950s. After two years of declines, the assessment roll for Fiscal Year 2011-12 posted a modest increase of 0.07 percent. Fiscal Year 2012-13 posted an increase of 2.43 percent. The County relies heavily on property taxes to support its operations and a decrease in assessed values has a direct effect on the amount of property taxes collected. The County receives approximately 14.0 percent of the total property taxes collected, which amount comprises approximately 59.0 percent of the County’s discretionary revenues. The ability of the County to make Base Rental Payments may be affected if the County’s discretionary revenues decline. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY REVENUES – Ad Valorem Property Taxes – Assessed Valuations” and “– Property Tax Collections.”

In addition to limitations that have been imposed on the County’s ability to raise revenues, State and federally mandated expenditures for services historically provided by counties, including public protection, health-related services and public assistance, have increased. Over half of the County’s revenue is provided by the federal and State governments, and over half of that amount is used to support mandated services. For a number of years, the annual increase in mandated expenditures has exceeded the annual increase in County revenues. In the event the County’s revenues are less than its total outstanding obligations, the County may be required by federal or State law to fund other expenditures prior to the payment of any Base Rental Payments. See APPENDIX A: “THE COUNTY OF ALAMEDA – COUNTY FINANCIAL INFORMATION – State Funding of Counties.”

## **Abatement Risk**

During any period in which, by reason of material damage or destruction, there is substantial interference with the use and occupancy by the County of any portion of the Facilities, Base Rental Payments and Additional Payments due under the applicable Facility Lease with respect to the affected Facility will be abated in proportion to the amount that the portion of the Facility rendered unusable bears to the entire Facility. The County waives any and all rights to terminate a Facility Lease by virtue of any such interference and the Facility Lease would continue in full force and effect. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Base Rental Payments; Additional Payments – Abatement” herein.

## **Limitation on Remedies; Re-letting of the Facilities**

Enforcement of any remedies provided in the Facility Leases and Indenture could prove both expensive and time consuming. The Facility Leases provides that, if there is a default by the County, the Trustee may, subject to applicable laws regarding use of such property, retake possession of and re-let the Facilities. Portions of such Facilities may not be easily recoverable and could be of little value to others. Furthermore, due to the essential nature of the government functions of the Facilities, it is not certain whether a court would permit the exercise of the remedies of retaking and re-letting with respect thereto. See “THE PROJECT” herein. Further, the amounts received from any such re-letting may be insufficient to pay the scheduled principal and interest payments with respect to the Series 2014 Bonds.

IN THE EVENT OF A DEFAULT UNDER A FACILITY LEASE, THERE IS NO AVAILABLE REMEDY OF ACCELERATION OF THE TOTAL BASE RENTAL PAYMENTS DUE OVER THE TERM OF THE FACILITY LEASE. THE COUNTY WILL ONLY BE LIABLE FOR BASE RENTAL PAYMENTS ON AN ANNUAL BASIS AS THEY COME DUE, AND THE TRUSTEE WOULD BE REQUIRED TO SEEK SEPARATE JUDGMENTS FOR THE BASE RENTAL PAYMENTS AS THEY COME DUE. IN ADDITION, ANY SUCH SUIT FOR MONEY DAMAGES COULD BE SUBJECT TO LIMITATIONS ON LEGAL REMEDIES AGAINST PUBLIC AGENCIES IN CALIFORNIA, INCLUDING A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS NEEDED TO SERVE THE PUBLIC WELFARE AND INTEREST AND A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS OF A FISCAL YEAR OTHER THAN THE FISCAL YEAR IN WHICH THE BASE RENTAL PAYMENTS WERE DUE.

## **Bankruptcy**

*{To Be Reviewed by Bond Counsel.}* In addition to the limitations on remedies contained in the Facility Leases and the Indenture, the rights and remedies provided in the Indenture and the Facility Leases may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect creditors’ rights. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy cases for public agencies, involuntary bankruptcy petitions may not be filed against public agencies. If the County were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Authority could be prohibited or severely restricted from taking any steps to enforce their rights under the Facility Leases and from taking any steps to collect amounts due from the County under the Facility Leases.

The County is a municipality and therefore cannot be the subject of an involuntary case under the Bankruptcy Code. However, as a municipality, the County may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent any action to collect payments from the County, including the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt that may have a priority of payment superior to that of Owners of the Series 2014 Bonds; and (iv) the possibility of the adoption of a plan (a “Plan”) for the

adjustment of the County's debt without the consent of the Trustee or all of the Owners of the Series 2014 Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is "fair and equitable" and in the best interests of creditors. In addition, the County could either reject the Site Leases or the Facility Leases or assume the Site Leases or the Facility Leases despite any provision of the Site Leases or the Facility Leases that makes the bankruptcy or insolvency of the County an event of default thereunder. If the County rejects the Facility Leases, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and such claim could be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection would excuse the County's obligations to make payments under the Facility Leases. The County may also be permitted to assign the Facility Leases (or the Site Leases) to a third party, regardless of the terms of the transaction documents. If the County rejects the Site Lease, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim and such claim could be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection may excuse the County's performance under both the Site Leases and the Facility Leases and the obligations of the County to make payments thereunder.

The Authority is a municipality and, like the County, cannot be the subject of an involuntary bankruptcy case. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy Code. If the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the projective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent any action to collect payments from the Authority, including the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority, and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the Series 2014 Bonds; and (iv) the possibility of the adoption of a Plan for the adjustment of the Authority's debt without the consent of the Trustee or all of the Owners of the Series 2014 Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable and in the best interests of creditors. In addition, in a bankruptcy of the Authority, the assignment by the Authority to the Trustee of the Site Leases and the Facility Leases could be characterized as a pledge rather than an absolute assignment. Under such circumstances, the Authority may be able to either reject the Site Leases or the Facility Leases or assume the Site Leases or the Facility Leases despite any provision of the Site Leases or the Facility Leases that makes the bankruptcy or insolvency of the Authority an event of default thereunder. If the Authority rejects the Site Leases, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and such claim could be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection would excuse the Authority's performance under both the Site Leases and the Facility Leases and the obligations of the County to make payments thereunder. If the Authority rejects the Facility Leases, the Trustee, on behalf of the Owners of the Series 2014 Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2014 Bonds. Moreover, such rejection may excuse the Authority's performance under the Facility Leases and the County's obligations to make payments thereunder. The Authority may also be permitted to assign the Site Leases or the Facility Leases to a third party, regardless of the terms of the transaction documents.

### **Risk of Earthquake**

The County and the various properties that comprise the Facilities are located in a seismically active region. Active earthquake faults underlie both the County and the surrounding Bay Area, including the Hayward Fault, which runs under Oakland, Berkeley and other cities in the County, the San Andreas Fault which passes about 3 miles to the southeast of the city of San Francisco's border and the Calaveras Fault which lies to the east of San Jose and Fremont and \_\_\_\_ miles from the Project. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the County, which registered 6.9 on the Richter scale of earthquake intensity. That



earthquake caused fires, building collapses, and structural damage to buildings and highways in the San Francisco Bay Area, including the County.

In April 2008, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Society, and the Southern California Earthquake Center) reported that there is a 63 percent chance that one or more quakes of about magnitude 6.7 or larger will occur in the Bay Area before the year 2038. Such earthquakes may be very destructive. For example, the U.S.G.S. predicts a magnitude 7.0 earthquake occurring today on the Hayward Fault would likely cause hundreds of deaths and almost \$100 billion of damage. In addition to the potential damage to County-owned buildings and facilities, including the various properties that comprise the Facilities, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly longer-term harm to the County's economy, tax receipts, and residential and business real property values.

The Facility Leases require the County to maintain insurance on the Facilities against certain risks such as earthquakes, if available on the open market from reputable insurance companies at a reasonable cost, as determined by the County. The County currently insures all of its buildings against earthquake damage through an approximately \$560 million insurance policy through the California State Association of Counties – Excess Insurance Authority property insurance pool, subject to certain claim limits and deductibles as described under “SECURITY AND SOURCES OF PAYMENTS FOR THE SERIES 2014 Bonds – Base Rental Payments; Additional Payments – Fire and Extended Coverage Insurance” and APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Facility Leases – Fire and Extended Coverage Insurance.” In addition, certain procedures and standards will be followed in the construction of the various properties that comprise the Facilities to ensure compliance with seismic standards required by State law. However, if there were an occurrence of severe seismic activity in the County not covered by the County's earthquake insurance or exceeding the policy limits of such insurance, there could be an abatement or adverse impact on the County's ability to pay the Base Rental Payments.

### **Hazardous Substances**

Owners and operators of real property may be required by law to remedy conditions on the property relating to actual or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the County.

The County knows of no existing hazardous substances that require remedial action on or near the Facilities. However, it is possible that such substances may currently exist and have not been discovered by the County.

### **Change in Federal Law**

No assurance can be given that the United States Congress or the President will not at some future time adopt initiatives or legislation or that the federal courts will not at some future time render a decision, the outcome of which could result in a reduction of the County's General Fund revenues, causing a reduction of funds available to the County to make Base Rental Payments. See also [“TAX MATTERS – Risk of Future Legislative Changes and/or Court Decisions.”]

### **Change in State or Local Law**

No assurance can be given that the State or the County electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the laws of the State Constitution in a

manner that could result in a reduction of the County's General Fund revenues and, as a result, in a reduction of the funds legally available to the County to make Base Rental Payments. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS"

## **CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS**

### **Article XIII A of the California Constitution**

In 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A was subsequently amended on several occasions in various respects. Article XIII A limits the amount of any ad valorem tax on real property to 1 percent of the full cash value (defined below) thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and or bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities approved by 55 percent of the voters voting on the proposition. Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash" or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This value is commonly known as the "base year" value. This base year value may be increased at a rate not to exceed 2 percent per year to account for inflation.

Article XIII A has been amended to permit reduction of the base year value in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the "base year value" in the event of reconstruction of property damaged or destroyed in a disaster if certain conditions are met or in the event of certain transfers between parents and children, between grandparents and grandchildren, between spouses, or in certain situations where the elderly or disabled acquire new residences.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2 percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

### **Article XIII B of the California Constitution**

On October 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Propositions 98 and 111, approved by California voters in 1988 and 1990, respectively, substantially modified Article XIII B. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living and population. The initial version of Article XIII B provided that the "base year" for establishing an appropriations limit was the 1978-79 fiscal year, which was then adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Proposition 111 revised the method for making annual adjustments to the appropriations limit by redefining changes in the cost of living and in population. It also required

that beginning in Fiscal Year 1990-91 each appropriation limit must be recalculated using the actual 1986-87 appropriations limit and making the applicable annual adjustments as if the provisions of Proposition 111 had been in effect.

Appropriations subject to limitations of a local government under Article XIII B include generally any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Proceeds of taxes include, but are not limited to, all tax revenues plus the proceeds to an entity of government from (1) regulatory licenses, user charges and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), (2) the investment of tax revenues, and (3) certain subventions received from the State. Article XIII B permits any government entity to change the appropriations limit by a vote of the electors in conformity with statutory and constitutional voting effective for a maximum of four years.

As amended by Proposition 111, Article XIII B provides for testing of appropriations limits over consecutive two-year periods. If an entity's revenues in any two-year period exceed the amounts permitted to be spent over such period, the excess has to be returned by revising tax rates or fee schedules over the subsequent two years. Amended by Proposition 98, Article XIII B provides for the payment of a portion of any excess revenues to a fund established to assist in financing certain school needs. Appropriations for "qualified capital outlays" are excluded from the limits of Proposition 111.

Section 7900 et. seq. of the California Government Code defines certain terms used in Article XIII B and sets forth the methods for determining the appropriations limits for local jurisdictions. Relying on these definitions and Chapter 60, Statutes of 1990 effective August 1, 1990, which implemented Proposition 111, the County has determined that its appropriations limit for "proceeds of taxes" for Fiscal Year 2013-14 is \$1.996 billion, an increase of 0.64 percent over Fiscal Year 2012-13. The estimated Fiscal Year 2013-14 budgeted proceeds of taxes do not exceed the appropriations limit. *{To be updated.}*

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the County to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 likely will be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. Further, any general purpose tax that the County imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election held prior to November 5, 1998. The County believes that no existing County-imposed taxes deposited into its General Fund are subject to challenge for having failed to meet the voter approval requirements of Proposition 218. The voter approval requirements of Proposition 218 reduce the flexibility of counties to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIII C also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the County will not, in the future, approve an initiative or initiatives that reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's General Fund, or that the voters of the State will not adopt further restrictions on the rights of municipalities to tax. If such repeal, reduction, or restriction were to occur, the County's ability to repay the Series 2014 Bonds could be adversely affected.

Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain certain fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIII D, over and above any general benefits conferred, (iii) a majority protest procedure for assessments, which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges that are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. The County does not believe that it is currently collecting fees, charges or assessments in violation of Article XIII D.

## **Proposition 62**

On November 4, 1986, California voters adopted Proposition 62, a statutory initiative which, among other matters, requires (i) that any tax for general governmental purposes imposed by local governmental entities be approved by a majority vote of the voters voting in an election on the issue, (ii) that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters voting in an election on the issue, and (iii) that the revenues from a special tax be used for the purposes or for the services for which the special tax was imposed.

On September 28, 1995, the California Supreme Court filed its decision in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220 (1995), which upheld a Court of Appeal decision invalidating a one-half cent countywide sales tax for transportation purposes levied by a local transportation authority. The California Supreme Court based its decision on the failure of the authority to obtain a two-thirds vote for the levy of a “special tax” as required by Proposition 62. The Santa Clara decision did not address the question of whether or not it should be applied retroactively.

In mid-2001, the California Supreme Court issued its decision in *Howard Jarvis Taxpayers Association et al. v. City of La Habra*, 25 Cal. 4th 809 (2001), in which it concluded, in part, that if a tax is illegal, the statute of limitations applicable thereto begins to run anew with each collection of that tax.

Proposition 62 as an initiative statute does not have the same level of authority as a constitutional initiative, but is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State’s electorate. Since the passage of Proposition 218, however, certain provisions of Proposition 62 (e.g., voter approval of taxes) are governed by the California Constitution. The requirements of Proposition 218 and Proposition 62 are not in complete harmony, and so where they diverge, the County must meet both standards. For a discussion of taxes affected by Proposition 218, see “Article XIII C and Article XIII D of the California Constitution” above. If a court determined that a jurisdiction imposed a tax in violation of Proposition 62, Proposition 62 would require that the portion of the 1 percent general ad valorem property tax levy allocated to that jurisdiction be reduced by \$1 for every \$1 in revenue attributable to the tax for each year that the tax had been collected.

## **Proposition 1A**

The California Constitution and existing statutes give the Legislature authority over property taxes, sales taxes and the vehicle license fee (the “VLF”). The Legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to the ongoing financial difficulties of the State in recent years, it has not provided reimbursements for many mandated costs. In other cases, the State has suspended

mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A, which amended the California Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local government's property, sales and vehicle license fee revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a "severe state financial hardship," which must be approved by a two-thirds vote of both houses of the Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (i) protects the property tax backfill of sales tax revenues diverted to pay the economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (ii) protects local agency vehicle license fee revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example, the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

## **Proposition 22**

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

### **Proposition 26**

Proposition 26 was approved by the electorate at the November 2, 2010 election and amended California Constitution Articles XIII A and XIII C. The proposition imposes a two-thirds voter approval requirement for the imposition of fees and charges by the State. It also imposes a majority voter approval requirement on local governments with respect to fees and charges for general purposes, and a two-thirds voter approval requirement with respect to fees and charges for special purposes. Proposition 26, according to its supporters, is intended to prevent the circumvention of tax limitations imposed by the voters in California Constitution Articles XIII A, XIII C and XIII D pursuant to Proposition 13, approved in 1978, Proposition 218, approved in 1996, and other measures through the use of non-tax fees and charges. Proposition 26 expressly excludes from its scope a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and that does not exceed the reasonable cost to the State or local government of providing the service or product to the payor.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D and Propositions 62, 1A, 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting County revenues or the County's ability to expend revenues. The nature and impact of any such measures cannot be anticipated by the County.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2014 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the Series 2014 Bonds is less than the amount to be paid at maturity of such Series 2014 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2014 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2014 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2014 Bonds is the first price at which a substantial amount of such maturity of the Series 2014 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2014 Bonds accrues daily over the term to maturity of such Series 2014 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2014 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2014 Bonds. Beneficial Owners of the Series 2014 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2014 Bonds with original issue discount, including the

treatment of Beneficial Owners who do not purchase such Series 2014 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2014 Bonds is sold to the public.

Series 2014 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Series 2014 Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Series 2014 Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Series 2014 Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Series 2014 Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2014 Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2014 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2014 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2014 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2014 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2014 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2014 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2014 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, Representative Dave Camp, Chair of the House Ways and Means Committee released draft legislation that would subject interest on the Series 2014 Bonds to a federal income tax at an effective rate of 10 percent or more for individuals, trusts, and estates in the highest tax bracket, and the Obama Administration proposed legislation that would limit the exclusion from gross income of interest on the Series 2014 Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2014 Bonds. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Series 2014 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code. Bond Counsel’s engagement with respect to the Series 2014 Bonds ends with the issuance of the Series 2014 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the Series 2014 Bonds in the event of an audit examination by the IRS. Under

current procedures, parties other than the Issuer and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2014 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2014 Bonds, and may cause the Issuer or the Beneficial Owners to incur significant expense.

## LEGAL MATTERS

The validity of the Series 2014 Bonds and certain other legal matters are subject to the legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Certain legal matters will be passed upon for the Authority and for the County by Donna Ziegler, County Counsel. Curls Bartling P.C. served as Disclosure Counsel to the Authority and the County. Certain legal matters will be passed upon for the Underwriters by Jackmon Law. None of Bond Counsel, counsel to the Underwriters, Disclosure Counsel or County Counsel, as counsel to the Authority and the County, undertakes any responsibility for the accuracy, completeness, or fairness of this Official Statement, except as otherwise stated in their respective opinions to be delivered upon the issuance of the Series 2014 Bonds, and none of such opinions is addressed to or may be relied upon by purchasers of the Series 2014 Bonds.

## CONTINUING DISCLOSURE

The County will agree to provide, during the time the Series 2014 Bonds are outstanding, certain financial information and operating data and notices of the occurrence of certain enumerated events in compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"). The specific nature of the notices of events and certain other terms of the continuing disclosure obligation are described in APPENDIX F: "PROPOSED FORM OF THE CONTINUING DISCLOSURE CERTIFICATE." Failure of the County to provide the required ongoing information may affect transferability, liquidity and the market price of the Series 2014 Bonds in the secondary market, but will not constitute a default under the Indenture or the Facility Leases. Except as described in the following sentence, the County has not failed to comply in the previous five years in all material respects with any previous undertakings with respect to the Rule. Due to the administrative oversight, the County did not file the following information on a timely basis: (1) the annual report for its 1996 Taxable Pension Obligation Bonds, Series B for 2009, 2010, 2011 and 2012; (2) property tax delinquency information for 2011 and 2012 (for all issues); and material event notices of a rating downgrade (based on insurer ratings) of FSA Insurance [on May 11, 2009 by Fitch,] and of Assured Guaranty [on May 4, 2009 by Fitch and] on November 12, 2009 by Moody's relating to the Alameda County Joint Powers Authority Lease Revenue Bonds (Juvenile Justice Refunding), 2008 Series A. All information listed in the preceding sentence has been filed.

The County has engaged Willdan Financial Services to assist in the preparation of its annual reports and utilizes the services of Digital Assurance Certification, LLC as its dissemination agent to assist it in the timely filing of all required continuing disclosure information. In addition, the County has designated a County official as the point person for compliance with the Rule, retained Curls Bartling P.C. to serve as disclosure counsel on an ongoing basis to advise on compliance with the Rule, and established procedures to ensure timely submission of required information to the dissemination agent and to otherwise meet its obligations under the Rule.

**Neither the Judicial Council nor the AOC are identified in the Continuing Disclosure Certificate as obligated parties for purposes of complying with the Rule and have no continuing disclosure obligations thereunder in connection with the Series 2014 Bonds.**

## ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Series 2014 Bonds, the Site Leases, the Facility Leases or the Indenture, and an opinion of County Counsel to that effect will be furnished at the time of the original delivery of the Series 2014 Bonds. The Authority is not aware of any litigation pending or threatened



questioning the existence of the Authority or the County or contesting the County's ability to appropriate or make Base Rental Payments. There are a number of lawsuits and claims pending against the County. In the opinion of County Counsel, the aggregate amount of any tort liability that the County might incur as a result of adverse decisions in such cases would be covered under the County's self-insurance program or its excess insurance coverage. In the further opinion of County Counsel, the aggregate amount of any non-tort liability that the County might incur as a result of adverse decisions in such cases would be covered under the County's litigation reserves.

## **FINANCIAL STATEMENTS**

The County's audited financial statements with supplemental information for the year ended June 30, 2013, are included in this Official Statement as part of Appendix B. In connection with the inclusion of the financial statements and the report of Macias Gini & O'Connell LLP, independent accountants to the County (the "Independent Accountants"), the County did not request the Independent Accountants to, and the Independent Accountants have not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Independent Accountants with respect to any event subsequent to the date of its report.

## **RATINGS**

Moody's Investors Service, Fitch Ratings and Standard & Poor's have assigned the Series 2014 Bonds the ratings of "\_\_\_," "\_\_\_" and "\_\_\_," respectively. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell or hold the Series 2014 Bonds. There is no assurance that such ratings will continue for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely by the rating agencies, or any of them, if in their, or its, judgment, circumstances so warrant. The Authority, the County, the Trustee and the Underwriters undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal and other actions of a rating agency may have an adverse effect on the market price of the Series 2014 Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

## **UNDERWRITING**

The Series 2014 Bonds are being purchased through negotiation by Siebert Brandford Shank & Co., L.L.C., on its own behalf and as representative of \_\_\_\_\_ (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Series 2014A Bonds at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2014A Bonds, plus [net] original issue premium in the amount of \$\_\_\_\_\_, less an Underwriters' discount of \$\_\_\_\_\_). The Underwriters have agreed to purchase the Series 2014B Bonds at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2014B Bonds, plus [net] original issue premium in the amount of \$\_\_\_\_\_, less an Underwriters' discount of \$\_\_\_\_\_). The Underwriters are obligated to purchase all of the Series 2014 Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the contract of purchase relating to the Series 2014 Bonds.

### **{Any Notices from Underwriters?}**

The Underwriters may also offer and sell the Series 2014 Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

## **FINANCIAL ADVISORS**

The Authority has retained Public Financial Management, Inc., San Francisco, California, and TKG & Associates LLC, San Francisco, California to serve as registered municipal advisors (the “Co-Financial Advisors”) in connection with the preparation of this Official Statement and with respect to the issuance of the Series 2014 Bonds. The Co-Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Each Co-Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities.

## **STATE TREASURER**

The Series 2014 Bonds are being sold by the State Treasurer as agent for sale on behalf of the Authority. The State is not obligated, and has not undertaken, to furnish, review, or verify the information contained in this Official Statement. The State assumes no responsibility for the accuracy, completeness or fairness of the information contained herein.

**EXECUTION AND DELIVERY**

The preparation and distribution of this Official Statement have been authorized by the Authority and the County.

ALAMEDA COUNTY JOINT POWERS AUTHORITY

By: \_\_\_\_\_  
Executive Director

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_  
\_\_\_\_\_

**APPENDIX A**  
**THE COUNTY OF ALAMEDA**

**APPENDIX B**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE  
COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS**

**APPENDIX D**

**SUMMARY OF CERTAIN PROVISIONS OF THE LEASE-PURCHASE AGREEMENT**

**APPENDIX E**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**



## APPENDIX F

### PROPOSED FORM OF THE CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the County of Alameda, California (the “County”) in connection with the issuance, execution and delivery of \$\_\_\_\_\_ aggregate principal amount of Lease Revenue Bonds (East County Hall of Justice), 2014 Series A and \$\_\_\_\_\_ aggregate principal amount of Lease Revenue Bonds (East County Hall of Justice), 2014 Series B (together, the “Series 2014 Bonds”), dated and delivered on the date hereof, of the Alameda County Joint Powers Authority (the “Authority”), a joint powers agency created pursuant to a Joint Exercise of Powers Agreement, dated as of April 1, 2004, as amended by and between the County and the Surplus Authority of the County of Alameda. The Series 2014 Bonds are being delivered pursuant to an Indenture dated as of [July] 1, 2014, between the Authority and The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as trustee (the “Trustee”), as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, each dated as of [July] 1, 2014, by and between the Authority and Trustee (collectively, the “Indenture”). The County is executing this Disclosure Certificate as the “Obligated Person” in connection with the Series 2014 Bonds, as further defined and described in Section 1 below. The County covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the County, as the “Obligated Person” under the Rule (as hereinafter defined) for the benefit of the Holders and Beneficial Owners of the Series 2014 Bonds and in order to assist the Participating Underwriters in complying with the Rule (as hereinafter defined).

**SECTION 2. Definitions.** The definitions set forth in the Indenture apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2014 Bonds (including persons holding Series 2014 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2014 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the County or any successor Dissemination Agent designated in writing by the County, and which has filed with the County a written acceptance of such designation.

“Holder” shall mean either the registered owners of the Series 2014 Bonds, or, if the Series 2014 Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the official statement relating to the Series 2014 Bonds, dated \_\_\_\_\_, 2014.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2014 Bonds required to comply with the Rule in connection with the offerings of the Series 2014 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the County’s Fiscal Year (which currently is June 30), commencing with the 2013-2014 Fiscal Year, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that if the audited financial statements of the County are not available by the date required above for the filing of the Annual Report, the County shall submit unaudited financial statements and submit the audited financial statements as soon as available. If the County’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event.

(b) If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County shall send a notice to the MSRB in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the Authority stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

SECTION 4. Content of Annual Reports. The County’s Annual Report shall contain or incorporate by reference the following financial information or operating data presented in the final Official Statement relating to the Series 2014 Bonds, updated to incorporate information for the most recent Fiscal Year:

(a) The audited financial statements of the County for the preceding Fiscal Year, prepared in accordance with Generally Accepted Accounting Principles applicable to governmental entities. If the County’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in the format similar to the financial statement contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) A description of any occurrence that would adversely impact the County’s beneficial use and possession of the Facilities and other occurrence that may provide the County with the opportunity to abate in whole or in part any Base Rental Payment; and

(c) An update to the information shown in the following tables and subsections set forth in Appendix A to the Official Statement: [Table A-9 – “County of Alameda Statement of Revenues, Expenditures and Ending Fund Balances (General Fund Only),” Table A-12 – “County of Alameda Assessed Valuation,” Table A-13 – “County of Alameda Property Tax Levies, Delinquencies and Collections,” Table A-17 – “Alameda County Employees’ Retirement Association Estimated Employers’ Contribution,” Table A-18 – “Alameda County Employees’ Retirement Association Schedule of Funding

Progress – Pension Plan,” Table A-19 – “Alameda County Employees’ Retirement Association Determination of Contribution Rates,” Table A-20 – “Alameda County Employees’ Retirement Association Schedule of Funding Status Progress – Post Employment Medical Benefits Without Limits,” Table A-21 – “Alameda County Treasurer’s Office Composition of Treasurer’s Cash Pool,” and Table A-23 – “County of Alameda Estimated Direct and Overlapping Debt.”] The County need not update any particular table or chart so long as (i) the County provides updated information relating to the County generally of the type previously included in such table or chart, or (ii) such table or chart constitutes information not deemed to be operating data under the Rule.

The County has not undertaken in this Disclosure Certificate to update all information an investor may want to have in making decisions to hold, sell or buy the Series 2014 Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2014 Bonds:

1. principal or interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to the rights of the Holders of the Series 2014 Bonds, if material;
4. optional, contingent or unscheduled calls, if any of the preceding are material, and tender offers;
5. defeasances;
6. rating changes;
7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2014 Bonds or other material events affecting the tax status of the Series 2014 Bonds;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers or their failure to perform;
11. release, substitution or sale of property securing repayment of the Series 2014 Bonds, if material;
12. bankruptcy, insolvency, receivership or similar proceedings described below of the County;
13. appointment of a successor or additional trustee or the change or name of a trustee, if material; or
14. the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the Authority or the County other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(b) An event described in item 12 above of Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County or the

Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of said party, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of said party.

(c) The County shall provide notice of an occurrence of a Listed Event to the MSRB in a timely manner but not more than ten (10) business days after the occurrence of the event. Any notice of Listed Event(s) must be submitted to the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2014 Bonds. In addition, in the event that the Rule shall be amended, modified or repealed such that compliance by the County with its obligations under this Disclosure Certificate no longer shall be required in any or all respects, then the County's obligations under this Disclosure Certificate shall terminate to a like extent. If either such termination occurs prior to the final maturity of the Series 2014 Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the County) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out-of-pocket expenses (including, but not limited to, attorney's fees). The Dissemination Agent (if other than the County) shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the County.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the County may amend or waive any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2014 Bonds, or the type of business conducted; and

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Series 2014 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) The amendment or waiver does not materially impair the interests of Beneficial Owners, as determined either by parties unaffiliated with the Authority (such as Bond Counsel), or by an approving vote of Beneficial Owners pursuant to the terms of the Indenture.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a

change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Dissemination Agent to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the County or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities that it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent is not acting in any fiduciary capacity for the Holders, Beneficial Owners or any other party. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2014 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, the Holders and Beneficial Owners from time to time of the Series 2014 Bonds, and any bond insurer maintaining a financial guaranty insurance policy on the Series 2014 Bonds that is not in default, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one in the same instrument.

Date: \_\_\_\_\_, 2014

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_ [Form only]  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: COUNTY OF ALAMEDA, CALIFORNIA

Name of Bond Issue: Alameda County Joint Powers Authority  
Lease Revenue Bonds, 2014 Series A  
Lease Revenue Bonds, 2014 Series B

Date of Delivery: \_\_\_\_\_, 2014

NOTICE IS HEREBY GIVEN that the County of Alameda, California (the "County") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the County relating to the Bonds. The County anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_ [To be signed only if filed]  
Authorized Officer

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry only system has been obtained from sources that the Authority and the Underwriters believe to be reliable, but neither the Authority nor the Underwriters take responsibility for the accuracy thereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in this Official Statement and in APPENDIX C: “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”

DTC will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2014 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The information on this website is not incorporated herein by this reference.

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014 Bonds, except in the event that use of the book-entry only system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial



Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Neither the County nor the Authority will have any responsibility or obligation to such Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the Series 2014 Bonds. Beneficial Owners of Series 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2014 Bonds may wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments with respect to the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The Authority cannot and does not give any assurances that DTC will distribute to Direct or Indirect Participants, or that Direct or Indirect Participant or others will distribute to the Beneficial Owners (a) payments of principal of, interest and premium, if any, on the Series 2014 Bonds paid or (b) any evidence of ownership or redemption or other notices, or that they will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. Neither the Authority nor the Underwriters are responsible or liable for the failure of DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Series 2014 Bonds or for any error or delay related thereto. The current "Rules" applicable to DTC are on file with the Securities and Exchange

Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The information in this section concerning DTC and DTC’s book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

\$ \_\_\_\_\_  
**ALAMEDA COUNTY JOINT POWERS AUTHORITY  
LEASE REVENUE BONDS  
(EAST COUNTY HALL OF JUSTICE)  
2014 SERIES [A/B]**

\_\_\_\_\_  
**BOND PURCHASE CONTRACT**  
\_\_\_\_\_

\_\_\_\_\_, 2014

COUNTY OF ALAMEDA, CALIFORNIA  
1221 Oak Street  
Room 555  
Oakland, CA 94612

ALAMEDA COUNTY JOINT POWERS AUTHORITY  
1221 Oak Street  
Room 555  
Oakland, CA 94612

Ladies and Gentlemen:

Siebert Brandford Shank & Co., LLC, on its behalf and as representative (the “Representative”) of [Co-Managers] (collectively, the “Underwriters”), offers to enter into this Bond Purchase Contract (the “Bond Purchase Contract”) with the County of Alameda, California (the “County”) and the Alameda County Joint Powers Authority (the “Authority”) which, upon the Authority’s and County’s acceptance of this offer, will be binding upon the Authority, the County and the Underwriters. The Representative, on behalf of the Underwriters, has been duly authorized to execute this Bond Purchase Contract and to act hereunder. This offer is made subject to the Authority’s and the County’s written 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 Underwriters upon written notice delivered to the Authority and the County by the Representative at any time prior to such acceptance.

All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Preliminary Official Statement (hereinafter defined).

## **1. Purchase Price and Delivery of Bonds.**

(a) Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of \$\_\_\_\_\_ aggregate principal amount of Alameda County Joint Powers Authority Lease Revenue Bonds, 2014 Series [A/B] (the “Bonds”). The Bonds shall be dated the Date of Issue (defined below), and mature on December 1 of the years and in the principal amounts, and bear interest at the rates (payable on June 1 and December 1 in each year, commencing [December 1, 2014]) and shall have the provisions for optional and mandatory sinking fund redemption all as set forth in Schedule A attached hereto and made a part hereof by this reference. The Bonds shall be subject to redemption as set forth in the Official Statement (defined below) and shall in all other respects be the same Bonds described in the Official Statement. The purchase price (the “Purchase Price”) for the Bonds shall be \$\_\_\_\_\_ (consisting of the par amount of the Bonds of \$\_\_\_\_\_ plus original issue premium of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_).

(b) At 8:30 a.m., California time, on \_\_\_\_\_, 2014, or at such earlier or later time or date as shall be agreed by the Authority and the Underwriters (such time and date being herein referred to as the “Date of Issue”), the Authority will cause to be delivered to The Depository Trust Company (“DTC”) in New York, New York, through its book-entry system and for the account of the Underwriters (or such other location as may be designated by the Underwriters and approved by the Authority), the Bonds in the form of a single fully registered Bond for each maturity of the Bonds (which may be typewritten and which shall bear a CUSIP number for each maturity), duly executed by the Authority and authenticated by the Trustee, and will deliver the other documents herein mentioned to the Underwriters at the San Francisco, California offices of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Authority with respect to the Bonds (“Bond Counsel”); and the Underwriters will accept such delivery and pay the Purchase Price of the Bonds as set forth in paragraph (a) of this Section by wire transfer of immediately available funds (such delivery and payment being herein referred to as the “Closing”). Notwithstanding the foregoing, neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Bonds on the Date of Issue in accordance with the terms of this Bond Purchase Contract. Specimen copies of the Bonds shall be made available to the Underwriters not later than one Business Day prior to the Date of Issue for purposes of inspection.

## **2. The Bonds.**

(a) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in, the Indenture, dated as of [July 1, 2014] (the “Master Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of [July 1, 2014] (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The Bonds shall be payable from any source of legally available funds of the Authority.

(b) The Bonds are being issued to: (1) finance a portion of the costs of the design, engineering, site preparation, construction, renovation, retrofitting, furnishing and equipping of the East County Hall of Justice; (2) make a deposit to the Reserve Account; (3) [fund capitalized interest payable with respect to the Bonds on each Interest Payment Date through June 1, 201\_\_]; and (4) pay costs of issuing the Bonds and other incidental costs.

(c) The Bonds are payable solely from, and secured solely by a pledge of and charge and lien upon, the Revenues, consisting primarily of certain rental payments (“Base Rental Payments”) to be made by the County pursuant to, and as defined in, the Facility Lease, dated as of [July 1, 2014] (the “[County/Court] Facility Lease”), between the County and the Authority. Pursuant to a [County/Court] Site Lease, dated as of [July 1, 2014] (the “[County/Court] Site Lease”), between the County and the Authority, the County will lease to the Authority its rights, title and interest in and to the [County/Court] Leased Property. Pursuant to the [County/Court] Facility Lease, the County will lease back the [County/Court] Leased Property from the Authority.

(d) The Base Rental Payments to be made by the County pursuant to the [County/Court] Facility Lease are payable by the County from its General Fund to the Authority for the right by the County to use and occupy the [County/Court] Leased Property for so long as the County has such use and occupancy of the [County/Court] Leased Property. The County has covenanted under the [County/Court] Facility Lease that it will take such action as may be necessary to include the Base Rental Payments in its annual budget and to make the necessary annual appropriations therefor.

(e) Concurrently with the issuance of the Bonds, the Authority will undertake to provide annual reports and notices of certain events relating to the Bonds pursuant to a Continuing Disclosure Certificate pertaining to the Bonds, to be dated the Date of Issue (the “Continuing Disclosure Certificate”). A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

### **3. Public Offering.**

The Underwriters will make an initial *bona fide* public offering of all of the Bonds at not in excess of the initial public offering price or prices, with yield or yields not lower than the yield or yields, as set forth in Schedule 1 attached hereto.

### **4. Financing Documents.**

(a) The sale and issuance of the Bonds, the execution and delivery of this Bond Purchase Contract, the Official Statement, the Indenture, the [County/Court] Facility Lease, the [County/Court] Site Lease, the Agency Agreement, the Continuing Disclosure Certificate, and the other actions contemplated to be taken by the Authority described herein were approved by the Authority in Resolution No. 2014-\_\_ of the Authority (the “Authority Resolution”), adopted on April 22, 2014.

(b) The execution and delivery of the [County/Court] Facility Lease and the [County/Court] Site Lease were approved by the County in Resolution No. 2014-\_\_ of the County (the “County Resolution”), adopted on April 22, 2014.

(c) The Bond Purchase Contract, Indenture, the [County/Court] Facility Lease, the [County/Court] Site Lease, the Agency Agreement, and the Continuing Disclosure Certificate shall be collectively referred to herein as the “Financing Documents.”

## **5. Delivery of Official Statement.**

(a) The Authority has caused to be delivered to the Underwriters an electronic copy of the Preliminary Official Statement related to the Bonds dated \_\_\_\_ \_\_, 2014 (including the cover page and all appendices thereto, the “Preliminary Official Statement”). Until the Official Statement has been prepared and is available for distribution, the Authority shall provide to the Underwriters sufficient quantities of, or continued access to such electronic copy of, the Preliminary Official Statement as the Underwriters deem necessary in order to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement. The Authority hereby ratifies, confirms and approves of the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Authority confirms that the Preliminary Official Statement was “deemed final” as of its date for purposes of Rule 15c2-12 except for omissions permitted by Rule 15c2-12.

(b) Within seven Business Days of the date hereof, and, in the event the Date of Issue is less than seven Business Days after the date hereof and upon request of the Underwriters, in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriters, the Authority hereby agrees to deliver or cause to be delivered to the Underwriters copies of the Official Statement related to the Bonds, dated the date hereof substantially in the form of the Preliminary Official Statement, with only such changes as have been accepted by the Underwriters, including all information previously permitted to be omitted by Rule 15c2-12 and any amendments or supplements thereto approved by the Authority and the Underwriters (the Preliminary Official Statement with such changes, and including the cover page and all appendices thereto, the “Official Statement”), signed on behalf of the Authority. The Underwriters agree to promptly thereafter file a copy of the Official Statement with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system. The Official Statement shall be delivered in sufficient quantity as may reasonably be requested by the Underwriters in order for the Underwriters to comply with Rule 15c2-12 and the rules of the MSRB. The Authority hereby reaffirms its consent to the Underwriters’ use and distribution of the Official Statement in connection with the offer and sale of the Bonds.

## **6. Representations, Warranties and Agreements of the Authority.**

The Authority represents and warrants to and agrees with the Underwriters, that:

(a) The Authority is, and will be on the Date of Issue, an entity duly organized and validly existing pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State (the “Act”) and that certain Amended and Restated Joint Exercise of Powers Agreement, dated as of March 18, 2014 (the “Joint Powers Agreement”), by and between the County and the Alameda County Surplus Property Authority, and the Joint Powers Agreement has been duly

authorized, executed and delivered by the parties thereto in accordance with the Act and other applicable provisions of the Constitution and laws of the State of California (the "State") and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

(b) The Authority has full legal right, power and authority to enter into this Bond Purchase Contract, to adopt the Authority Resolution, to enter into the Indenture, the [County/Court] Facility Lease, the [County/Court] Site Lease, and to observe and perform the Authority's covenants and agreements contained herein and therein.

(c) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority: (i) affecting the existence of the Authority or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the payment by the County of the Base Rental Payments; (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Financing Documents; (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (v) contesting the powers of the Authority or any authority for the issuance of the Bonds, the adoption of the Authority Resolution or the execution and delivery of the Financing Documents, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Financing Documents.

(d) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized all necessary action to be taken by it for: (i) the adoption of the Authority Resolution authorizing the execution and delivery of the Financing Documents, the Official Statement and this Bond Purchase Contract and the issuance and sale of the Bonds; (ii) the approval, execution and delivery of, and the performance by, the Authority of the obligations on its part, contained in the Bonds and the Financing Documents; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by it of all other transactions described in the Official Statement, the Financing Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(e) This Bond Purchase Contract has been duly authorized, executed and delivered, and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(f) The Financing Documents to which it is a party, when duly executed and delivered, will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization,

moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(g) The Bonds, when issued, delivered and paid for, in accordance with the Indenture and this Bond Purchase Contract, will have been duly authorized, executed, issued and delivered by the Authority and will constitute the valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and upon the issuance, authentication and delivery of the Bonds as aforesaid, the Indenture will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge and lien it purports to create as set forth therein.

(h) The Authority makes no representation or warranty that interest on the Bonds is or will continue to be exempt from federal or state income taxation.

(i) The Authority is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the Authority has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing.

(j) The execution and delivery of the Financing Documents to which it is a party and the adoption of the Authority's Resolution, and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets are 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 property or assets of the Authority to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture.

(k) The Authority represents and warrants to the Underwriters (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds at the Closing that the Authority shall so represent and warrant) that, for the purposes of Rule 15c2-12, as of the date of the Preliminary Official Statement, the Authority deemed the Preliminary Official Statement "final" as that term is used in paragraph (b)(1) of Rule 15c2-12. Within seven (7) business days after the date hereof and in sufficient time to accompany any confirmation that requests payment for any customer, the Underwriters shall receive from the Authority copies of the final Official Statement in sufficient quantity to enable the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and rules of the MSRB.



(l) The statements contained in the Preliminary Official Statement as of its date does not, and the Official Statement as of its date will not, and if supplemented or amended, as of the date of any such supplement or amendment, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; excluding in each case any information contained therein relating to DTC or its book-entry only system; CUSIP numbers of the Bonds; information contained therein describing the investment policy of the County of Alameda, its current portfolio holdings, and valuation procedures (as they relate to funds of the Authority held by the Treasurer-Tax Collector of the County of Alameda (the “Treasurer-Tax Collector”)); information provided by the Underwriters regarding CUSIP numbers or the prices or yields at which the Bonds were re-offered to the public, and information under the caption “UNDERWRITING,” as to all of which the Authority expresses no view.

(m) The Authority agrees that, for a period of 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12), if any event of which it has actual knowledge occurs which might cause the information in the Official Statement as then in existence to contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, the Authority shall promptly notify the Representative in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of the Underwriters, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, and if the Underwriters shall have so advised the Authority, the Authority shall forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the Authority, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading. The Authority shall promptly advise the Underwriters of the commencement of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. Unless the Underwriters otherwise advise the Authority that the end of the underwriting period shall be another specified date, the end of the underwriting period shall be the Date of Issue.

(n) The Authority will undertake, pursuant to the Indenture and the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

(o) The Authority will furnish such information and execute such instruments and take such action in cooperation with the Underwriters, at no expense to the Authority, as the Underwriters may reasonably request to: (i)(1) qualify the Bonds for offer and sale under the

Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate, and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (ii) continue such qualifications in effect for so long as required for the distribution of the Bonds (provided, however, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(p) The Authority has, and has had, no financial advisory relationship with the Underwriters with respect to the Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriters.

(q) The purchase and sale of the Bonds pursuant to this Bond Purchase Contract is an arm's-length commercial transaction between the Authority and the Underwriters.

(r) [In connection with such arm's-length commercial transaction, the Underwriters are acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Authority].

(s) The Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or are currently advising the Authority on other matters) or any other obligation to the Authority except the obligations expressly set forth in this Bond Purchase Contract.

(t) The Authority has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

(u) The Authority acknowledges that it has previously provided the Underwriters with an acknowledgement of receipt of the required Underwriters' disclosure under rule G-17 of the MSRB.

## **7. Representations, Warranties and Agreements of the County.**

The County hereby represents, warrants and agrees as follows:

(a) The County is, and will be on the Date of Issue, a political subdivision of the State organized and operating pursuant to the laws of the State.

(b) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly authorized all necessary action to be taken by it for: (i) the adoption of the County Resolution authorizing the execution and delivery of the Financing Documents, the Official Statement and this Bond Purchase Contract and the issuance and sale of the Bonds; (ii) the approval, execution and delivery of, and the performance by the County of the obligations on its part, contained in the Bonds and the Financing Documents to which it is a

party; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by it of all other transactions described in the Official Statement, Financing Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the County in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(c) This Bond Purchase Contract has been duly authorized, executed and delivered, and constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(d) The Financing Documents to which it is a party, when duly executed and delivered, will constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(e) The County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the County has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the County under any of the foregoing.

(f) The execution and delivery of the Financing Documents to which it is a party and the adoption of the County Resolution, and compliance with the provisions on the County's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its property or assets are 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 property or assets of the County to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Indenture.

(g) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the County, threatened against the County: (i) affecting the existence of the County or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the payment of the Base Rental Payments; (iii) in any way contesting or affecting the validity or enforceability of the Financing Documents; (iv) contesting in any way the completeness or accuracy of the Preliminary Official

Statement or the Official Statement or any supplement or amendment thereto; or (v) contesting the powers of the County or any authority for the adoption of the County Resolution or the execution and delivery of the Financing Documents, nor, to the best knowledge of the County, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Financing Documents.

(h) The Preliminary Official Statement, as supplemented and amended through the date hereof (excluding therefrom information relating to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the County's acceptance hereof and at all times subsequent thereto during the period up to and including twenty-five (25) days after the end of the underwriting period, the Official Statement (including as then amended or supplemented) (excluding therefrom information related to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made) did not and will not contain any untrue statement of a material fact or omit to state any 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.

(j) If between the date hereof and the date which is twenty-five (25) days after the end of the underwriting period for the Bonds, an event occurs which might or would cause the information contained in the Official Statement (excluding therefrom information relating to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the County will notify the Representative, and, if in the opinion of the Representative, the County or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriters (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to paragraph (j) of this Section 7, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date that is twenty-five (25) days after the end of the underwriting period of the Bonds, the Official Statement as so supplemented or amended (excluding therefrom information relating to DTC, the book-entry system and the information under the caption "UNDERWRITING," as to which no representation is made) will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

(l) The County has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture.

(m) The County will furnish such information and execute such instruments and take such action in cooperation with the Underwriters, at no expense to the County, as the Underwriters may reasonably request to: (i)(1) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate, and (2) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (ii) continue such qualifications in effect for so long as required for the distribution of the Bonds (provided, however, that the County will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the County of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(n) The financial statements of, and other financial information regarding the County in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the County as of the dates and for the periods therein set forth. The financial statements of the County have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the County's audited financial statements included in the Preliminary Official Statement and in the Official Statement.

(o) Prior to the Closing, the County will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the County.

(p) The County will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriters.

(q) Any certificate, signed by any official of the County authorized to do so in connection with the transactions described in this Bond Purchase Contract, shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein.

(r) The County has not failed during the previous five (5) years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c-12.

## **8. Termination Events.**

The Underwriters may terminate this Bond Purchase Contract by notification in writing or by telecopy to the Authority and County if, at any time subsequent to the date hereof and on or prior to the Date of Issue, the market price or marketability (at the initial offering prices set forth in the Official Statement) of the Bonds shall have been materially adversely affected, in the reasonable judgment of the Representative (evidenced by a written notice to the Authority from the Representative terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation shall have been enacted or introduced in either House of the Congress of the United States or in the legislature of the State of California or recommended for passage by the President of the United States or the Governor of the State of California, as the case may be, or a decision rendered by a court established under Article III of the Constitution of the United States or under the Constitution of the State of California, as the case may be, or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official or staff statement issued or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or any agency, commission or instrumentality of the State of California, with the purpose or effect, directly or indirectly, of imposing federal income taxation or State of California personal income taxation, respectively, upon the interest as would be received by the holders of the Bonds or obligations of the general character of the Bonds;

(2) any legislation shall have been enacted or any action shall have been taken by the Securities and Exchange Commission or a court of competent jurisdiction, which has the effect of requiring registration of the Bonds under the 1933 Act, or the Indenture, or any other document executed in connection with the transactions contemplated herein, to be qualified under the Trust Indenture Act (as defined below);

(3) (i) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency, or (ii) there shall have occurred any other outbreak of hostilities, local, national or international, or an escalation thereof, the effect of which on the financial markets of the United States is such as would, in the reasonable opinion of the Underwriters, affect materially and adversely the ability of the Underwriters to market the Bonds;

(4) there shall have occurred (i) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or a payment default on United States Treasury obligations;

(5) there shall have occurred a general suspension of trading on the New York Stock Exchange or additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations shall have been imposed which, in the reasonable judgment of the Underwriters, materially adversely affects the market for the Bonds;

(6) a general banking moratorium shall have been declared by federal or New York or California state authorities or a major financial crisis or a material disruption in

commercial banking shall have occurred which, in the reasonable judgment of the Underwriters, materially adversely affects the market for the Bonds;

(7) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds is in violation or would be in violation of any provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(8) any new restriction on transactions in securities materially affecting the market for the Bonds (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order;

(9) there shall have occurred any event or condition that, in the reasonable judgment of the Underwriters, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, or which requires that information not reflected in such Official Statement should be reflected therein in order to make the statements and information contained therein not misleading in any material respect as of such time; provided that the Authority and the Underwriters will use their best efforts to amend or supplement the Official Statement to reflect, to the satisfaction of the Underwriters, such changes in or additions to the information contained in the Official Statement;

(10) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service rating the Bonds; or

(11) subsequent to the date of this Bond Purchase Contract, there shall have occurred any materially adverse change in the affairs or financial conditions of the County or the Authority, except for changes which the Official Statement discloses are expected to occur.

If the Authority shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Bond Purchase Contract or if the Underwriters' obligations shall be terminated for any reason permitted herein, this Bond Purchase Contract shall terminate and neither the Underwriters nor the Authority or County shall have any further obligation hereunder except as provided in Section 11 hereof.

## **9. Closing Conditions of the Underwriters.**

The obligation of the Underwriters to accept delivery of and pay for the Bonds on the Date of Issue shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations, warranties and agreements on the part of the Authority contained herein as of the date hereof and as of the Date of Issue, to the accuracy in all material respects of

the statements of the officers and other officials of the Authority and the County made in any certificates or other documents furnished pursuant to the provisions hereof, and to the performance by the Authority of its obligations to be performed hereunder, at or prior to the Date of Issue and to the following additional conditions:

(a) The representations and warranties of the Authority and the County contained herein shall be true, complete and correct on the date hereof and on and as of the Date of Issue, as if made on the Date of Issue.

(b) At the Date of Issue, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters.

(c) At or prior to the Date of Issue, the Underwriters shall have received the following documents, in each case satisfactory in form and substance to the Underwriters:

(1) the Financing Documents, 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 Underwriters;

(2) an approving opinion of Bond Counsel relating to the Bonds, dated the Date of Issue and addressed to the Authority, in substantially the form attached to the Official Statement, together with a reliance letter addressed to the Underwriters and the Trustee;

(3) a supplemental opinion of Bond Counsel relating to the Bonds, dated the Date of Issue and addressed to the Underwriters, in substantially the form attached hereto as Exhibit A;

(4) the opinion of the general counsel to the Authority (“Counsel to the Authority”), dated the Date of Issue , and addressed to the Underwriters and the Trustee , in substantially the form attached hereto as Exhibit B;

(5) the opinion of the general counsel to the County (“Counsel to the County”), dated the Date of Issue and addressed to the Underwriters and the Trustee, dated the Date of Issue, in substantially the form attached hereto as Exhibit C;

(6) an opinion of Curls Bartling, P.C., as disclosure counsel to the Authority and the County, dated the Date of Issue, addressed to the Authority, the County and the Underwriters, in substantially the form attached hereto as Exhibit D;

(7) an opinion of counsel to the Trustee, dated the Date of Issue, addressed to the Authority, the County and the Underwriters, in substantially the form attached hereto as Exhibit E;

(8) the opinion of [Amira Jackmon], counsel to the Underwriters (“Underwriters’ Counsel”), dated the Date of Issue, addressed to the Underwriters, in substantially the form attached hereto as Exhibit F;



(9) certified copies of each of the Authority Resolution and County Resolution;

(10) [satisfactory evidence that the Bonds have been rated “\_\_” by Standard & Poor’s Rating Services, “\_\_” by Fitch, Inc. and “\_\_” by Moody’s Investors Service, Inc.];

(11) two copies of the Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by its President and the County by its [Assistant County Administrator];

(12) a certificate, dated the Date of Issue and signed by an authorized official of the Authority, to the effect that (a) no event affecting the Authority has occurred since the date of the Official Statement that would cause as of the Date of Issue any statement or information concerning the Authority contained in the Official Statement under the captions “INTRODUCTION – The Authority,” “ABSENCE OF LITIGATION” and “APPENDIX A – THE COUNTY OF ALAMEDA,” as such information relates to the Authority, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made concerning the Authority, in the light of the circumstances under which they were made, not misleading, and (b) the representations of the Authority set forth in Section 6 hereof are true and correct as of the Date of Issue;

(13) a certificate, dated the Date of Issue and signed by an authorized official of the County, to the effect that (a) no event affecting the County has occurred since the date of the Official Statement that would cause as of the Date of Issue any statement or information concerning the County contained in the Official Statement under the captions INTRODUCTION – The Authority,” “ABSENCE OF LITIGATION” and “APPENDIX A – THE COUNTY OF ALAMEDA” as such information relates to the County, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made concerning the County, in the light of the circumstances under which they were made, not misleading, and (b) the representations of the County set forth in Section 7 hereof are true and correct as of the Date of Issue;

(14) a certificate, dated the Date of Issue, signed by a duly authorized official of the Trustee, to the effect that: (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture; (ii) the Trustee is duly authorized to enter into the Indenture and the Trustee has duly executed and delivered the Indenture; (iii) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), 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 held by the Trustee pursuant to the Indenture 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 Indenture; and (iv) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, as such but not in its individual capacity, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of Revenues to be applied to pay the principal, premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority 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 Indenture; and

(15) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Authority with legal requirements, the truth and accuracy, as of the Date of Issue, of the representations of the Authority contained herein, and the due performance or satisfaction by the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority.

#### **10. Representations of the Underwriters.**

The Underwriters represent to the Authority that:

(a) The Underwriters will make a *bona fide* public offering of the Bonds in compliance with applicable state and federal laws, subject to the terms and conditions of this Bond Purchase Contract;

(b) The Underwriters have the corporate power and the authority necessary to enter into this Bond Purchase Contract and to perform its covenants, obligations and undertakings hereunder; and

(c) When executed and delivered by the other parties hereto, this Bond Purchase Contract will constitute a valid, binding and enforceable obligation of the Underwriters in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally, by the availability of equitable remedies, by applicable securities laws and by the exercise of judicial discretion.

#### **11. Expenses.**

All reasonable expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including printing costs associated with the Preliminary Official Statement and the Official Statement, fees and expenses of accountants, financial advisors and consultants, fees and expenses for Bond ratings (including all necessary expenses for travel), any fees relating to blue sky filings, reasonable fees and expenses of Bond Counsel, the financial advisor to the Authority and Counsel to the Authority, shall be paid by the Authority. All fees and expenses to be paid by the Authority pursuant to this Bond Purchase Contract may be paid from Bond proceeds to the extent permitted by the Indenture. All out of pocket expenses of the Underwriters, including travel and other expenses (but excluding travel and related expenses of Authority or County representatives) and the fees and expenses of its counsel, shall be paid by the Underwriters.

#### **12. Notices.**

Any notice or other communication to be given to the Authority and the County under this Bond Purchase Contract may be given by delivering the same in writing at the Authority's and the County's address set forth above to the attention of the County Administrator in the case of the County and to the attention of the President in the case of the Authority, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Representative or to the Underwriters at: Siebert Brandford Shank & Co., LLC, 1999 Harrison Street, Suite 2720, Oakland CA 94612 Attn: Peter Wong. The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriters and delivered to you.

#### **13. Parties.**

This Bond Purchase Contract is made solely for the benefit of the Representative and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All your representations, warranties and agreements in this Bond Purchase Contract shall remain operative and in full force and effect, regardless of any investigation made by or on behalf the Underwriters, and delivery of and payment for the Bonds hereunder.

#### **14. Counterparts.**

This Bond Purchase Contract may be executed in any number of counterparts and all such counterparts shall together constitute one and the same instrument.

**15. Underwriters Not Fiduciaries.**

The Authority and the County acknowledge and agree that: (i) the primary role of the Underwriters is to purchase the Bonds for resale to investors in an arm's length, commercial transaction among the Authority, the County and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as municipal advisors, financial advisors, agents or fiduciaries to the Authority or the County; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Authority or the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriters have provided other services or are currently providing other services to the Authority or the County on other matters); (iii) the only obligations the Underwriters have to the Authority and the County with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Contract (provided that nothing in this clause shall be construed to eliminate any state law requirement of good faith and fair dealing between parties to a commercial transaction); (iv) the Authority and the County have consulted with their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate; and (v) the Underwriters have financial and other interests that differ from those of the Authority and the County. The Authority and the County have engaged Public Financial Management, Inc., and TKG & Associates LLC to act as registered municipal advisors in this transaction.

**16. Severability.**

Each provision of this Bond Purchase Contract shall be construed to preserve its validity and enforceability to the extent possible. In the event any provision of this Bond Purchase Contract is declared void, invalid, or unenforceable, the party who would have the provision enforced shall be entitled to elect whether (1) the provision should be modified to the extent necessary to make it valid and enforceable, or (2) the provision shall be deemed not to be a part of this Bond Purchase Contract.

**17. Governing Law.**

This Bond Purchase Contract shall be construed in accordance with and governed by the Constitution and the laws of the State of California applicable to contracts made and performed in the State of California.

Upon the execution of the acceptance hereof by Authorized Officers of the Authority and the County as defined in the Indenture and delivery of same to the Underwriters prior to 11:59 p.m., California time on the date hereof, this Bond Purchase Contract shall become effective, valid, binding and enforceable.

BY: SIEBERT BRANDFORD SHANK & CO., LLC,  
as Representative of the Underwriters

By: \_\_\_\_\_  
Authorized Signatory

Accepted and Agreed to:

COUNTY OF ALAMEDA, CALIFORNIA

By: \_\_\_\_\_  
Authorized Officer

ALAMEDA COUNTY JOINT POWERS AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE A  
TO BOND PURCHASE CONTACT**

**SCHEDULE OF MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST  
RATES, YIELDS AND PRICES**

**ALAMEDA COUNTY JOINT POWERS AUTHORITY  
LEASE REVENUE BONDS  
(EAST COUNTY HALL OF JUSTICE)  
2014 Series [A/B]**

	\$ _____	Serial Bonds		
<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>

## **OPTIONAL AND MANDATORY SINKING FUND REDEMPTION PROVISIONS**

Optional Redemption. The Series 2014 Bonds are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available funds, in whole or in part (and if in part, in such order of maturity as specified by the Authority), on any date on or after December 1, 20\_\_, at a redemption price equal to 100 percent of the principal amount of the Series 2014 Bonds called for redemption plus accrued interest to the date fixed for redemption.

Mandatory Redemption. [The Series 2014 Bonds are not subject to mandatory sinking fund redemption prior to maturity.]

**EXHIBIT A**  
**BOND PURCHASE CONTRACT**

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL



**EXHIBIT B TO  
BOND PURCHASE CONTRACT**

FORM OF OPINION OF COUNSEL TO THE AUTHORITY

SCHEDULE A

**EXHIBIT C TO  
BOND PURCHASE CONTRACT**

FORM OF OPINION OF COUNSEL TO THE COUNTY

SCHEDULE A

**EXHIBIT D TO  
BOND PURCHASE CONTRACT**

FORM OF OPINION OF DISCLOSURE COUNSEL

**EXHIBIT E TO  
BOND PURCHASE CONTRACT**

**FORM OF OPINION OF COUNSEL TO THE TRUSTEE**

**EXHIBIT F TO**  
**BOND PURCHASE CONTRACT**  
FORM OF UNDERWRITERS' COUNSEL OPINION

APPENDIX A – DEFINED TERMS

**“2014A Additional Payments”** means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 of the County Facility Lease.

**“2014B Additional Payments”** means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 of the Facility Leases.

**“2014A Base Rental Payment Schedule”** means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the County Facility Lease and attached to the Facility Leases as Exhibit B.

**“2014A Base Rental Payment Schedule”** means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the Court Facility Lease and attached to the Facility Leases as Exhibit B.

**“2014A Base Rental Payments”** means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the County Facility Lease.

**“2014B Base Rental Payments”** means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the Court Facility Lease.

**“2014 Bonds”** means the 2014 Series A Bonds and the 2014 Series B Bonds.

**“2014 Capitalized Interest Account”** means an account by that name established in the Interest Account pursuant to Section 5.03 pursuant to a Supplemental Indenture.

**“2014 Costs of Issuance Account”** means the costs of issuance account created pursuant to Section \_\_\_ of the [First] Supplemental Indenture.

**“2014 Continuing Disclosure Agreement”** means, with respect to the 2014 Bonds, the Continuing Disclosure Agreement, dated the date of issuance and delivery of the 2014 Bonds, executed by the County and the Trustee, as originally executed and as it may be amended from time to time in accordance with the terms thereof.



**“2014B Interest Subaccount”** means the account created by Section 15.01 of the [Second] Supplemental Indenture.

**“2014A Lease Payment Obligations”** means together (i) the Lease Payments; and (ii) Additional Rental Payments.

**“2014B Lease Payment Obligations”** means together (i) the Lease Payments; and (ii) Additional Rental Payments.

**“2014B Principal Subaccount”** means the account created by Section 15.02 of the [Second] Supplemental Indenture.

**“2014 Project”** means the acquisition, installation, implementation and construction of the Alameda East County Hall of Justice, and payment of any costs associated with financing of said project, as set forth in Exhibit C to the Facility Lease as the same may be changed from time to time, in accordance with Section 3.07 of the Facility Lease, by the County by filing a Certificate of the County with the Trustee.

**“2014A Reserve Account”** means the account created pursuant to Section [\_\_] of the First Supplemental Indenture.

**“2014B Reserve Account”** means the account created pursuant to Section [\_\_] of the Second Supplemental Indenture.

**“2014 Series A Bonds”** means the Bonds designated “Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A” issued by the Authority under and pursuant to Section 2.01 of the Master Indenture and Section [\_\_] of the First Supplemental Indenture.

**“2014 Series B Bonds”** means the Bonds designated “Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A” issued by the Authority under and pursuant to Section 2.01 of the Master Indenture and Section [\_\_] of the First Supplemental Indenture.

**“Accreted Interest”** means, with respect to Capital Appreciation Bonds, as of the date of calculation, the Accreted Value thereof minus the Denominational Amount thereof.

**“Accreted Value”** means, with respect to Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery at the interest rate thereof on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, as determined in accordance with the Supplemental Indenture authorizing such Bonds, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of three hundred sixty (360) days composed of twelve (12) months of thirty (30) days each.

**“Act”** means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.

**“Additional Bonds”** means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III of the Master Indenture.

**“Additional Payments”** means all amounts payable to the Authority or the Trustee or any other person from the County as Additional Payments pursuant to a Facility Lease.

[**“AOC Parties”** or **“AOC Party”** means the Council and the AOC and their respective officers, agents, and employees.

**“AOC”** means the Judicial Council of California, an entity established by the Constitution of the State of California, acting by and through the Administrative Office of the Courts, the staff agency to the Judicial Council of California.]

**“Architects”** means the architects, engineers or designers of any Project or portion thereof, and any successor or successors to any thereof.

**“Authority”** means the Alameda County Joint Powers Authority created pursuant to the Act and its successors and assigns in accordance herewith.

**“Authorized Denominations”** means with respect to a Series of Bonds the meaning set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds. **“Authorized Denominations”** means, with respect to the 2014 Series A Bonds and 2014 Series B Bonds, \$5,000 or any integral multiple thereof.

**“Base Rental Payment Schedule”** means the schedule of Base Rental Payments payable to the Authority from the County pursuant to the Facility Leases and attached to the Facility Leases as Exhibit B.

**“Base Rental Payments”** means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the Facility Leases.

**“Bond Counsel”** means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.

**“Bond Indenture”** means the Master Indenture as supplemented by the [First Supplemental Indenture and the Second Supplemental Indenture].

**“Bond Trustee”** means the trustee, and its successors and assignees, retained by the County or the Issuer in connection with the Bonds.

**“Bond Year”** means the twelve (12)-month period ending on \_\_\_\_\_ 1 of each year to which reference is made.

**“Bondholder or “Owner”** means any person who shall be the registered owner of any Outstanding Bond.

**“Bonds”** means any or all of the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice) authorized under and secured by this Indenture.

**“Business Day”** means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California is authorized to remain closed, or a day on which the Federal Reserve system is closed.

**“Capital Appreciation Bonds”** means Bonds the interest on which is compounded semiannually on each Interest Payment Date and paid at maturity as specified in the accreted value table for such Bonds in an exhibit to a Supplemental Indenture.

**“Capitalized Interest Account”** means an account by that name established in the Interest Account pursuant to Section 5.03 pursuant to a Supplemental Indenture.

**“Certificate of the Authority”** means an instrument in writing signed by any of the following officials of the Authority: President, Vice President, Secretary, Assistant

Secretary, [or Treasurer] of the Authority, or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

**“Certificate of the County”** means an instrument in writing signed by any of the following County officials: President or Secretary of the Board of Supervisors of the County, County Administrator or Assistant County Administrator, or by any such officials’ duly appointed designee, or by any other officer of the County duly authorized by the Board of Supervisors of the County for that purpose.

**“Civil Assessment Annual Amount”** means the sum of Two Million Dollars (\$2,000,000) per Fiscal Year.

**“Civil Assessment Revenues Additional Amount”** means the Civil Assessment Annual Amount for each Fiscal Year (or prorated for any portion of a Fiscal Year) following 2012-2013 Fiscal Year and ending on the Cut-Off Date.

**“Civil Assessment Revenues Balance”** means the Civil Assessment Revenues retained by the State Parties as of June 30, 2013 in the estimated amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

**“Civil Assessment Revenues Equity Contribution”** means the amount of the Civil Assessment Revenues Balance plus the Civil Assessment Revenues Additional Amount contributed by the State Parties as a portion of the Other Equity.

**“Civil Assessment Revenues”** means the gross amount of all civil assessment revenues collected by or on behalf of the Court in each fiscal year in accordance with Penal Code Section 1214.1 net of the costs of collecting the Civil Assessment Revenues that are permitted to be reimbursed to the Party that performs the collection services under the guidelines of the State Controller.

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

**“Continuing Disclosure Agreement”** means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under S.E.C. Rule 15c2-12, the Continuing Disclosure Agreement, dated the date of issuance and delivery of such Series of Bonds, executed by the County and the Trustee, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Contractors”** means the construction contractor for any portion of the 2014 Project or any Subsequent Project and any successor or successors to any thereof.

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

**“County Board of Supervisors”** means the Board of Supervisors of the County of Alameda, State of California.

**“County Bonds”** means the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series A and any lease revenue bonds, certificates of participation, or other forms of indebtedness issued to refinance such bonds.

[**“County Building Parcel”** means as defined in the LPA and generally depicted on the Preliminary Site Plan Real Property Parcel Diagram, attached as **Exhibit “B”**, in the area marked in red, labeled “2. County Exclusive Use Area-County Owned”.

**“County Building Parcel”** means the legal parcel of Real Property improved by the County Building, grounds, and Shared Square Footage County, generally depicted on the Preliminary Site Plan and Real Property Parcel Diagram, attached as **Exhibit “B”**, in the area marked in red, labeled “2. County Exclusive Use Area-County Owned”.

**“County Building”** means all spaces, rooms and areas, including all related equipment, systems, fixtures and improvements that exclusively serve the County Building, contained within the approximately 42,284 gross square foot two-story office building built on the Land and to be exclusively occupied and used by the County, which may include the District Attorney, Public Defender, Probation, and space for Board of Supervisors.

**“County Building”** means as defined in the LPA.]

**“County Demised Premises”** means that certain real property consisting of the Existing Facilities Demised Premises and the East County Hall of Justice Demised Premises situated in the County of Alameda, State of California, described in Exhibit A attached to the County Facility Lease and made a part of the County Facility Lease, together with any additional real property added thereto by any supplement or amendment to the County Facility Lease; subject, however, to any conditions, reservations, and easements of record or known to the County.

[**“County Designated Parking Area”** means the separate and designated parking area shown as Area 1 on the Parking Plan attached as **Exhibit “F”** to the LPA, including a total

of approximately [230] unsecured, paved, surface parking spaces available for exclusive use by the County, its employees and staff, and County visitors. For the sake of clarity, the Parties acknowledge that the number of parking spaces or stalls in the County Designated Parking Area are only an estimate and may not precisely correlate to the actual number of spaces in the County Designated Parking Area when construction is complete. ]

**“County Facility Lease”** means that certain lease between the Authority, as lessor and County, as lessee with respect to the County Bonds.

**“County Facility”** means the County Building and the County Designated Parking Area. In connection with the County’s use and occupancy of the County Facility, the County shall have the non-exclusive right together with the AOC to use the Common Areas, which Common Areas includes the non-exclusive right of the County to enter, exit, pass over, and pass through the Exclusive Use Areas AOC, as necessary to access, use, operate, maintain, repair, and improve the County Facility consistent with this LPA.

**“County Property”** means the legal parcels of Real Property to be owned in fee by the County following the Transfer of Title pursuant to Article 12 of this LPA, including the County Building Parcel, the County Designated Parking Area, and the Easement Parcels AOC.

**“County Site Lease”** means that certain lease made and entered into by and between the County, as lessor, and the Authority as lessee, in connection with the County Bonds.

**“County”** means the County of Alameda, California, a body corporate and politic and a political subdivision of the State of California.

**[“Court Designated Parking Area Parcels”** means the legal parcels of the Real Property constituting the Court Designated Parking Area in the general areas depicted in blue on the Preliminary Site Plan and Real Property Parcel Diagram, attached here to as **Exhibit “B”**. The Judges Parking Area is included in the Courthouse Parcel.

**“Court Demised Premises”** means that certain real property consisting of the Existing Facilities Demised Premises and the East County Hall of Justice Demised Premises situated in the County of Alameda, State of California, described in Exhibit A attached to the Court Facility Lease and made a part of the Court Facility Lease, together with any additional real property added thereto by any supplement or amendment to the Court Facility Lease; subject, however, to any conditions, reservations, and easements of record or known to the County.

**“Court Designated Parking Area”** means the one or more separate and designated parking areas on the Land shown in Areas 2, 3, 4, 5, and 7 on the Parking Plan attached as **Exhibit “F”** to the LPA, including approximately [27] secured spaces for judge parking in the Judges Parking Area, and approximately [538] unsecured, paved surface parking

spaces available for the exclusive use by AOC employees and staff, judges, court visitors, law enforcement, and the public, and all related equipment, systems, fixtures, and improvements that exclusively serve the Court Designated Parking Area.]

“**Court Facility Bonds Debt Service**” means the principal and interest payments due on the Court Facility Bonds.

“**Court Facility Bonds**” means the Alameda County Joint Powers Authority Lease Revenue Bonds (East County Hall of Justice), 2014 Series B and any lease revenue bonds, certificates of participation, or other form of indebtedness issued to refinance such bonds.

“**Court Facility Lease**” means that certain lease between Authority, as lessor and County, as lessee, with respect to the Court Facility Bonds.

“**Court Site Lease**” means that certain lease made and entered into by and between the County, as lessor, and the Authority, as lessee, in connection with the Court Facility Bonds.

“**Court Facility**” means the Courthouse Building and the Court Designated Parking Area. In connection with the AOC’s lease of the Court Facility, AOC shall have the non-exclusive right together with the County to use and occupy the Common Areas, and the non-exclusive right of the AOC and the Court to enter, exit, pass over, and pass through designated areas of the Exclusive Use Areas County, only as necessary to access, use, operate, maintain, repair, and improve the Court Facility consistent with this LPA.

“**Court Facility**” means the Courthouse Building and the Court Designated Parking Area together with the non-exclusive right to use and occupy the Common Areas as provided in the LPA.

“**Court**” means the Superior Court of California, County of Alameda.

“**Courthouse Building**” means all spaces, rooms, and areas, including all related equipment, systems, fixtures and improvements that exclusively serve the Courthouse Building, contained within the approximately 146,331 gross square feet, five-story building to be exclusively occupied and used by the AOC, including: all spaces, rooms, fixtures, appurtenances, and improvements described in Section 70301(d)(1)-(6) of the Act, which will include thirteen (13) courtrooms for holding superior court, thirteen (13) chambers for Judicial Officers, spaces for secure holding of prisoners attending Court sessions, all together with secure means of transferring the prisoners to and from the courtrooms, administrative support space, the Court OIT Space (whether or not in a separate building).

“**Courthouse Construction Funds Amount**” means the amount equal to all of the Courthouse Construction Funds generated each Fiscal Year during the term of the LPA, which amount is to be deposited with the Bond Trustee as described in Section 5.2 of the LPA. Pursuant to Alameda County Board of Supervisors Resolution R-2004-262, the County pledged

the Courthouse Construction Funds as a source of funding for the repayment of the Court Facility Bonds.

**“Courthouse Construction Funds Equity Contribution”** means the amount of Courthouse Construction Funds held by the County comprising a portion of the Other Equity Funds pursuant to Section 2.4.2.2. of the DDA.

**“Courthouse Construction Funds”** means the funds deposited into the Courthouse Construction Fund established by the County pursuant to Government Code Section 76100.

**“Courthouse Construction Funds Account”** means the account created by Section 15.05 of the [Second] Supplemental Indenture.

**“Courthouse Parcel”** means the legal parcel of Real Property improved by the Courthouse Building, grounds, Judges Parking Area, and Shared Square Footage Court, in the general area depicted on the Preliminary Site Plan and Real Property Parcel Diagram attached to the LPA as **Exhibit “B”**, in the area marked in blue, labeled “1. Court Exclusive Use-State Owned”.

**“Current Interest Bonds”** means Bonds the interest on which is payable on each Interest Payment Date to the maturity date for each such Bond.

**“Cut-Off Date”** means as defined in the LPA.

**“Debt Service”** means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or other period on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds so long as such funded interest is in an amount equal to the gross amount necessary to pay such interest on the Bonds and is invested in Government Securities which mature no later than the related Interest Payment Date), (2) the principal amount of all Outstanding Serial Bonds maturing during such Fiscal Year or other period, and (3) the principal amount of all Outstanding Term Bonds required to be redeemed or paid (together with the redemption premiums, if any, thereon) during such Fiscal Year or other period; provided, that the foregoing shall be subject to adjustment and recalculation as follows.

(a) with respect to Capital Appreciation Bonds, the Accreted Value payment shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond; and



“**Demised Premises**” means the County Demised Premises and the Court Demised Premises.

“**Denominational Amount**” means, with respect to Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

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

[“**Design-Build Agreement**” means the written agreement between the County and the Design-Builder for the design, construction, and completion of the East County Hall of Justice Project, including all documents incorporated therein, documents provided by the Design-Builder pursuant to the Design-Build Agreement and the Final Design.]

“**Dissemination Agent**” means the County or any successor appointed under the Continuing Disclosure Agreement.

“**DOF**” means the California Department of Finance, an agency of the State.

“**DTC**” means The Depository Trust Company, New York, New York.

“**Easement Agreements**” means collectively, the easements and other rights granted by the County to the State to benefit the one or more of the Exclusive Use Areas AOC Parcels and granted by the State to the County to benefit one or more of the Exclusive Use Areas County, pursuant to the terms and conditions of the LPA and, after the Transfer of Title, the Building Common Areas Agreement and Land Areas Agreement in the forms attached hereto as **Exhibits “J” and “K”** to the LPA, respectively, and Other Easement Agreements recorded concurrently with the recordation of the Grant Deed all as provided for and further described in the LPA.

“**East County Hall of Justice Project**” or “**Project**” means the planning, design, development, financing, construction, and completion of the East County Hall of Justice for the AOC and the County’s exclusive and non-exclusive occupancy and use, as provided in this DDA and the Lease-Purchase Agreement. The East County Hall of Justice Project will be comprised of approximately 196,219 gross square feet, together with all infrastructure, Parking Areas, Common Areas, and related grounds, landscaping, utility service connections, and any other improvements on or to the Land, all as depicted in the general locations on the Preliminary Site Plan and Real Property Parcel Diagram, attached hereto as **Exhibit “B”**. The Parties acknowledge that because of the nature and small scale of the Preliminary Site Plan and Real Property Parcel Diagram, such site plan does not illustrate infrastructure and distribution systems. For the sake of further clarity, the Parties acknowledge that such East County Hall of

Justice building square footage in total and for the Courthouse Building, County Building, Shared Square Footage, and Common Areas and the Project Cost Formula derived therefrom, may not precisely correlate to the East County Hall of Justice building square footage set forth in the Design-Build Agreement or the actual, as-built East County Hall of Justice building square footage due to possible differences arising from the application of cost control mechanisms, value engineering, calculation methods, rounding, Field Directives, or Change Orders. The County acknowledges that the State Parties are not authorized to exceed either the maximum building square footage of the Court Facility or the State Project Cost pursuant to the Project Budget without the approval of the Judicial Council and the State legislature and absent such approvals the State Parties may be forced to reduce the scope or modify the quality of the Court Facility.

“**East County Hall of Justice**” means the real property and improvements situated at \_\_\_\_\_, including the 2014 Project to be constructed thereon, in an unincorporated area of the County of Alameda, California, as more fully described in Exhibit A to the Facility Lease.

“**Event of Default**” shall have the meaning specified in Section 6.01 of the Facility Leases or 7.01 of the Indenture, as applicable.

“**Facilities**” shall mean the Court Facility and the County Facility.

“**Facility Lease**” means each facility lease, dated as of \_\_\_\_\_ 1, 2014, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof and of the Indenture, including the Court Facility Lease and the County Facility Lease.

“**Financing Agreements**” means the Court Facility Bonds and those agreements, instruments, schedules (including schedules for the County’s payments to the Issuer in respect of the Court Facility Bonds), and other documents, that have been, or will be, entered into, by the Issuer, the County, the Bond Trustee, or the bond insurer, if any, including its successors and assigns (the “**Bond Insurer**”), and by which the County is, or will be, bound in connection with the Court Facility Bonds, including but not limited to that certain bond indenture (the “**Bond Indenture**”), the Site Lease, and the Facility Lease; provided, however that neither the LPA nor the DDA is a Financing Agreement.

“**First Supplemental Indenture**” means the first supplemental indenture, dated as of \_\_\_\_\_ 1, 2014, by and among the Trustee and the Authority and acknowledged by the County, pursuant to which the Trustee will execute and deliver the County Facility Bonds.

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

**“Fixed Rate Bonds”** means Bonds of any Series which bear interest at a fixed interest rate from the date of such Bonds until the maturity or redemption date thereof.

**“Government Securities”** means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (5) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AA” by S&P, or if not rated by Moody’s, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AA-rated pre-refunded municipal obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

**“Hazardous Substance”** means any material or substance regulated under any federal, state, or local Law, ordinances, regulations, rules, statutes, and administrative actions or orders respecting hazardous or toxic substances, waste, or materials, or industrial hygiene.

**“Indenture”** means collectively, the Master Indenture, as supplemented, modified or amended by one or more Supplemental Indenture entered into pursuant to the provisions thereof.

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

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the County;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the County; and

(3) is not connected with the Authority or the County as a member, officer or employee of the Authority or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the County.

**“Interest Payment Date”** means, with respect to any Series of Bonds, the meaning set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

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

**“Joint Powers Agreement”** means the Joint Exercise of Powers Agreement by and between the County and the Surplus Property Authority of the County of Alameda, dated March 18, 2014, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

[**“Lease Payment Turbo/Early Redemption Fund”** means the account established pursuant to Section [ ] of the First Supplemental Indenture.]

**“Lease-Purchase Agreement”** or **“LPA”** means that certain Lease-Purchase Agreement, to be executed by the County, the AOC and the PWB upon satisfaction of the Required Approvals in Section 3 of the LPA.

**“LPA Account”** means the account created pursuant to Section 15.05 of the [Second] Supplemental Indenture.

**“Master Indenture”** means the Master Indenture, dated as of \_\_\_\_\_ 1, 2014, by and between the Trustee and the Authority and acknowledged by the County, as originally executed or as it may from time to time be supplemented, modified or amended by a Supplemental Indenture entered into pursuant to the provisions thereof.

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

**“Opinion of Counsel”** means a written opinion of Bond Counsel.

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

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

**“Permitted Encumbrances”** means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facility Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facility Lease in the office of the County Recorder of the County of Alameda and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time and the Facility Lease, as it may be amended from time to time; (4) this Indenture, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the County; (7) subleases and assignments of the County which will not adversely affect the exclusion from gross income of interest on the Bonds, and (8) licenses as granted in the LPA and, after the Transfer of Title, easements over and in the Building Common Areas and such other easements as may otherwise set forth in the Easement Agreements.

**“Permitted Investments”** means any of the following:

- (1) Government Securities;
- (2) ) any obligations which are then legal investments for moneys of the County under the laws of the State of California and comply with the County’s investment policy; provided that such investments shall be rated in the highest short-term or one of the three highest long-term rating categories by Moody’s and S&P;
- (3) money markets or mutual funds which are rated by S&P “AAAm-G” or “AAAm” or higher and, if rated by Moody’s, are rated “Aaa” or higher, which

funds may include funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services;

(4) the County of Alameda Investment Pool; and

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

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

**“Principal Office”** refers to the office of the Trustee noted in Section 11.10 and such other offices as the Trustee may designate from time to time.

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

**“Project Fund”** means the fund by that name established pursuant to Section [ ] of the First Supplemental Indenture.

**“Project”** means the 2014 Project and any additional facilities or improvements financed with proceeds of Additional Bonds.

**“Project”** means the 2014 Project and any Subsequent Project.

**“Rating Category”** means one of the general long-term (or short-term, if so specifically provided) rating categories of either Moody’s and S&P, without regard to any refinement or gradation of such rating category by a numerical modifier (unless a short-term rating) or otherwise.

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

**“Redemption Date”** shall mean the date fixed for redemption of any Bonds.

**“Redemption Price”** means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

**“Rental Payment Period”** means the twelve month period commencing June 2 of each year and ending the following June 1, and the initial period commencing on the effective date of the Facility Lease and ending the following June 1.

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

**“Reserve Account Requirement”** means, as of any date of calculation (calculated on a Bond Year basis), an amount equal to the lesser of (i) maximum annual debt service on all Bonds Outstanding secured by the applicable Reserve Account; (ii) 125% of average annual debt service on all Bonds Outstanding secured by the applicable Reserve Account; or (iii) 10% of the stated principal amount of each Series of the Bonds then Outstanding secured by the applicable Reserve Account.

**“Reserve Fund”** means the fund of that name established pursuant to Section 5.03(d).

**“Responsible Officer”** means any officer of the Trustee assigned to administer its duties under this Indenture.

**“Revenue Fund”** means the fund by that name created pursuant to Section 5.02 of the Master Indenture.

**“Revenues”** means (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facility Leases (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to Section 5.05, of any money in any fund or account (other than the Rebate Fund) established pursuant to the Master Indenture or the Facility Leases.

**“S&P”** means Standard & Poor’s, a division of the McGraw-Hill Companies, Inc., and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

["**SB 1407 Funds**"] means the funds from the ICNA in the total lump-sum amount of Fifty Million Dollars (\$[50,000,000]) that the AOC will contribute as partial payment of the State Project Cost as identified in the 2010-2011 State Budget Act, Item 0250-301-3138 (1), (Senate Bill 870, Ch.712, Statutes of 2010), as reappropriated by Item 0250-491 (Senate Bill 68, Ch. 5, Statutes of 2012). ]

"**Second Supplemental Indenture**" means the second supplemental indenture, dated as of \_\_\_\_\_ 1, 2014, by and among the Trustee and the Authority and acknowledged by the County, pursuant to which the Trustee will execute and deliver the Court Facility Bonds.

"**Serial Bonds**" means Bonds for which no sinking fund payments are provided.

"**Series,**" whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

"**Site Leases**" means together, the County Site Lease and the Court Facility Site Lease.

"**State**" means and refers to the State of California.

["**Substantial Completion**"] means that the County has achieved a stage of construction of the Court Facility, before Project Completion, such that the Court Facility in its entirety may be occupied for its intended purpose. Substantial Completion shall be deemed to have occurred when certificates of occupancy (or equivalent Regulatory Approvals) have been issued by State or local authorities with jurisdiction, including but not limited to the State Fire Marshall and the State Corrections Standards Authority. The issuance of certificates of occupancy will conclusively establish that the Court Facility may be occupied in its entirety for its intended purpose, completion of Punch List Items (as that term is defined in the DDA) notwithstanding.]

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



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

**“Term Bonds”** means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

**“Transfer of Title”** has the meaning given to it in the LPA.

**“Trial Court Facilities Act”** means the Trial Court Facilities Act of 2002, California Government Code Sections 70301, et seq.

**“Trustee”** means The Bank of New York Mellon Trust Company, N.A., or any other association or corporation which may at any time be substituted in its place as provided in Section 8.01.

**“Turbo Redemption Account”** means the account created pursuant to Section 15.06 of the [Second] Supplemental Indenture.

**“Written Request of the Authority”** means an instrument in writing signed by or on behalf of the Authority by its President, Vice President, Secretary, Assistant Secretary, [or Treasurer] of the Authority, or a designee of any such officer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

**“Written Request of the County”** means an instrument in writing signed by the President or Secretary of the Board of Supervisors of the County, County Administrator or Assistant County Administrator [or the Treasurer-Tax Collector of the County], or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

STATE OF CALIFORNIA  
c/o Judicial Council of California  
Administrative Office of the Courts  
Office of Court Construction and Management  
455 Golden Gate Avenue, 8<sup>th</sup> Floor  
San Francisco, CA 94102  
Attn: Eunice Calvert-Banks  
Manager, Real Estate

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[Space above for Recorder's use.]

This document is exempt from the payment of a recording fee under Section 27383 of the Government Code

**SUBORDINATION, NONDISTURBANCE, AND ATTORNMEN T AGREEMENT  
(EAST COUNTY HALL OF JUSTICE PROJECT)**

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LIEN OR CHARGE IN THE LAND AND IMPROVEMENTS BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIENS OF THE INSTRUMENTS REFERENCED BELOW.**

THIS SUBORDINATION, NONDISTURBANCE, AND ATTORNMEN T AGREEMENT (this "Agreement") is dated as of \_\_\_\_\_, 2014, for reference purposes only and is by and among the STATE OF CALIFORNIA (the "State"), acting by and through the JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS (the "AOC"), the COUNTY OF ALAMEDA, a political subdivision of the State of California (the "County"), ALAMEDA COUNTY JOINT POWERS AUTHORITY (the "Issuer"), a public entity and agency, duly organized and existing pursuant to an Agreement entitled "Amended and Restated Joint Exercise of Powers Agreement" by and between the County and the Surplus Property Authority of Alameda County, and the STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA, an entity of state government of the State of California (the "PWB").

**R E C I T A L S:**

A. The County is the fee simple owner of certain real property located in the County of Alameda, State of California (the "Land"), as legally described in Exhibit "A", attached hereto and incorporated herein by this reference.

B. The County and the AOC have identified the Land for the location of the East County Hall of Justice, and are parties to that certain Development and Disposition Agreement, pursuant to which the County and the AOC, together with the Superior Court of California, County of Alameda

("Court"), are working in good faith to design, develop, finance and construct the East County Hall of Justice (the "East County Hall of Justice Project").

C. The East County Hall of Justice will be approximately 196,219 gross square feet and comprised of the County Facility and the Court Facility.

D. The County has leased to the AOC the Courthouse Parcel and Court Designated Parking Area Parcels together with the AOC Licenses pursuant to the Lease Purchase Agreement ("~~LPA~~").

E. The County intends to finance the construction of the East County Hall of Justice Project through issuance of the County Facility Bonds and Court Facility Bonds, and the County Facility Bonds will be secured in part by the County Facility Financing Agreements, which will be a lien against the County Facility, and the Court Facility Bonds will be secured in part by the Court Facility Financing Agreements, which will be a lien against the Court Facility.

F. The County will lease to the Authority the Court Facility, and the Authority will lease back the Court Facility to the County ~~pursuant to the Court Facility Financing Agreements~~. As a condition to issuing the Court Facility Bonds, the Issuer has required that the AOC's interest in the Court Facility under the Lease Purchase Agreement be subordinate to the lien of the Court Facility Financing Agreements.

G. As a condition to the AOC entering into the Lease Purchase Agreement, the AOC and PWB have required that the Issuer consent to and recognize the Lease Purchase Agreement and AOC Licenses as Bonds Permitted Encumbrances and not disturb the AOC's quiet enjoyment and beneficial use and occupancy of the Court Facility under the Lease Purchase Agreement and acknowledge and agree the County Facility Financing Agreements will not be a lien against the Court Facility ~~except for the County's license interest in the Building Common Areas~~.

H. In consideration for the AOC's agreement to (i) subordinate the AOC's leasehold interest in the Court Facility under the Lease Purchase Agreement to the leasehold interests of the Court Facility Financing AgreementAgreements and also to (ii) attorn to the Issuer and its successors or assignees in any repossession of the Court Facility under the Court Facility Financing Agreements, the Issuer on behalf of itself and any successors or assignees agrees to recognize the AOC's said leasehold interest in the Court Facility under the Lease Purchase Agreement on the terms and conditions provided herein, and not to disturb the AOC's quiet enjoyment and beneficial use and occupancy of the Court Facility under the Lease Purchase Agreement upon such repossession so long as the AOC is not in default beyond all applicable notice, grace and cure periods and a Non-Appropriation Event has not occurred.

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

#### A G R E E M E N T:

1. Recitals. Further to the provisions in California Evidence Code section 622, the Recitals are incorporated herein by this reference and are deemed to be conclusively true as among the Parties and their successors and assigns.

2. Defined Terms. The following terms will have the following meanings for purposes of this Agreement. Any term not defined in this Agreement will have the meaning given to it in the Development and Disposition Agreement (“DDA”) and the LPA Lease Purchase Agreement.

“AOC” means the Judicial Council of California, an entity of state government duly organized and validly existing under and by virtue of the laws of the State, acting by and through the Administrative Office of the Courts, the staff agency to the Judicial Council of California and its successors and assigns under the Lease Purchase Agreement.

“AOC Licenses” ~~means~~mean the irrevocable licenses granted by the County to the AOC as set forth in the LPA Lease Purchase Agreement.

“Agreement” means this Subordination, Nondisturbance and Attornment Agreement entered dated as of \_\_\_\_\_, 2014, and by and among the AOC, the County, the Issuer, and the PWB.

“Bonds” means together, the County Facility Bonds and the Court Facility Bonds issued by the Issuer concurrently to fund portions of the East County Hall of Justice Project and any bonds issued to refund such Bonds.

“Bonds Permitted Encumbrances” means those liens, encumbrances, easements and other instruments of record that have been recorded in the Official Records of Alameda County against the Court Facility or County Facility with the approval and consent of the Issuer, as provided in the Court Facility Financing Agreements or the County Facility Financing Agreements.

“Building Common Areas” means, collectively, the areas of the Courthouse Building that provide joint entry to and shared lobby areas of the County Building and the Courthouse Building, which shall be shared on a non-exclusive basis by the County and the AOC and that comprise approximately 8,766 gross square feet of improvements, including, (a) a central lobby and lobby entrances to the Courthouse Building and the County Building; (b) the rotunda; (c) stairways and elevator banks to the upper floor of the Courthouse Building and between the two floors of the Building Common Areas; and (d) the café space contained in the lower level of the Building Common Areas, all as depicted in yellow on the Buildings Property Line Drawing, attached hereto as **Exhibit “B”**.

~~“Common Areas” means the Building Common Areas and (b)~~“Building Common Areas Access and Use Easement Agreement” means that certain Building Common Areas Access and Use Easement Agreement in the form attached as **Exhibit “J”** to the Lease Purchase Agreement and recorded pursuant to Article 12 of the Lease Purchase Agreement.

“Common Areas” means the Building Common Areas and the Land Common Areas.

“County” means the County of Alameda, California, a political subdivision of the State of California, and its successors and assigns under the Lease Purchase Agreement.

~~“County Bonds” means the certain Alameda County Joint Powers Authority lease revenue bonds, certificates of participation, or other appropriate financing instruments that do not require voter approval, which the County may cause the Alameda County Joint Powers Authority to issue in the manner prescribed and pursuant to the terms and conditions stated in the DDA and any lease revenue bonds, certificates of participation, or other forms of indebtedness issued to refinance such~~

bonds.

“**County Building**” means all spaces, rooms and areas, including all related equipment, systems, fixtures and improvements contained within the approximately 42,276 gross square foot two-story office building to be constructed on Parcel 2 ~~of the Land~~ as shown on the Land Parcel Map, and to be owned, occupied and used exclusively by the County, which may include the District Attorney, Public Defender, Probation, and space for Board of Supervisors.

“**County Designated Parking Area**” means the separate and designated parking area located on Parcel 3 of the Land Parcel Map and further shown on the Parking Plan attached hereto as **Exhibit “C”**, including a total of approximately 230 unsecured, paved, surface parking spaces available for exclusive use by the County, its employees and staff, and County visitors.

“**County Facility**” means the County Building and other improvements located on the County Building Parcel and the County Designated Parking Area, together with ~~necessary licenses over the County Licenses~~, and ~~inafter the Building Common Areas as~~ Transfer of Title, the easements granted by the AOC State to the County in Article 2 of the LPA and/or easements over and in the Building Common Areas and otherwise as set forth in the Easement Agreements.

“**County Facility Bonds**” means the certain Alameda County Joint Powers Authority lease revenue bonds, certificates of participation, or other forms of indebtedness issued to finance or refinance the County Facility component of the East County Hall of Justice Project.

“**County Facility Financing Agreements**” means the County Facility Bonds and those agreements, instruments, schedules (including schedules for the County’s payments to the Issuer in respect of the County Facility Bonds), and other documents, that have been, or will be, entered into, by the Issuer, the County, or the Issuer, and by which the County is, or will be, bound in connection with the County Facility Bonds, including but not limited to the bond indenture, ~~site lease and facility leases~~ the County Site Lease and the County Facility Lease.

“**County Facility Lease**” means the facility lease, dated as of \_\_\_\_\_, 2014, by and between the Issuer, as lessor, and the County, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the County Facility Bonds.

“**County Licenses**” mean the irrevocable licenses granted by the AOC to the County as set forth in the Lease Purchase Agreement.

“**County Property**” means Parcel 7 of the Land Parcel Map, which is ~~to be used~~ owned by the County and subject to non-exclusively exclusive use by the ~~County and the~~ AOC pursuant to the terms and conditions ~~of~~ in the LPA and, after Lease Purchase Agreement.

“**County Site Lease**” means the Transfersite lease, dated as of \_\_\_\_\_ of Title, the Land Areas Agreement, to enter, exit, pass over, and pass through for the benefit of the Real Property. \_\_\_\_\_, 2014 by and between the County, as lessor, and the Issuer, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the County Facility Bonds.

“**Court**” means the Superior Court of California, County of Alameda.

**“Court Designated Parking Area Parcels”** means the separate and designated parking areas located on the Court Designated Parking Area Parcels and on a portion of the Courthouse Parcel for the Judges Parking Area, and further depicted in the Land Parcel Map as Parcels 4, 5 and a portion of Parcel 1, attached here to as **Exhibit “D”**, and incorporated herein by this reference parcels consisting of Parcels 4 and 5 of the Land Parcel Map.

**“Court Facility”** means the Courthouse Building and other improvements located on the Courthouse Parcel and the Court Designated Parking Areas**Area Parcels**, together with the AOC Licenses granted by the County to the AOC in Article 2 of the LPA**Lease Purchase Agreement**, and/or, after the Transfer of Title, the easements granted in the Easement Agreements**Land Areas Agreement**.

**“Court Facility Bonds”** means certain Alameda County Joint Powers Authority lease revenue bonds, certificates of participation, or other forms of indebtedness issued to finance or refinance the Court Facility component of the East County Hall of Justice Project.

**“Court Facility Financing Agreements”** means the Court Facility Bonds and those agreements, instruments, schedules (including schedules for the County’s payments to the Issuer in respect of the Court Facility Bonds), and other documents, that have been, or will be, entered into, by the Issuer, the County, the Issuer, and by which the County is, or will be, bound in connection with the Court Facility Bonds, including but not limited to the bond indenture, Court Site Lease, and Court Facility Lease.

**“Court Facility Lease”** means the Facility Lease, dated as of \_\_\_\_\_, 2014, by and between the Issuer, as lessor, and the County, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the Court Facility Bonds.

**“Court Site Lease”** means the Site Lease, dated as of \_\_\_\_\_, 2014 by and between the County, as lessor, and the Issuer, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the Court Facility Bonds.

**“Courthouse Parcel”** means Parcel 1 of the Land Parcel Map ~~improved~~ by the Courthouse Building, grounds, and Judges Parking Area\_ and other improvements, including the Building Common Areas.

**“Development and Disposition Agreement”** ~~or “DDA”~~ means the Development and Disposition Agreement, dated as of \_\_\_\_\_, 2014, entered into by and among the County, the AOC, and the Court for the East County Hall of Justice Project.

**“East County Hall of Justice”** means, collectively, the Court Facility and the County Facility.

**“East County Hall of Justice Project”** means the planning, design, development, financing, construction, and completion of all of the components of the Real Property as provided in the DDA**Development and Disposition Agreement**.

**“Exclusive Use Areas AOC Parcels”** means the Courthouse Parcel, ~~excluding the Building~~

~~Common Areas~~, and the Court Designated Parking Area Parcels, ~~as~~ and described as Parcels 1, 4 and 5 of the Land Parcel Map.

“**Issuer**” means the Alameda County Joint Powers Authority, a public entity and agency, duly organized and existing pursuant to an Agreement entitled “Amended and Restated Joint Exercise of Powers Agreement” by and between the County and the Surplus Property Authority of Alameda County, and its successors and assigns.

“**Land**” means and refers to the land described in **Exhibit “A”** attached hereto (comprising approximately 20.37 acres), including all title, rights, and interest therein, and as further subdivided into separate legal Parcels under the Land Parcel Map.

“**Land Common Areas**” means together, the County Property and the Shared Parking Area.

“**Land Parcel Map**” means that certain ~~Vesting Tentative Map 10237, dated March 19, 2014, Instruction # \_\_\_\_\_, Parcel Map~~ recorded in the Official Records by the County of Alameda on April \_\_, 2014, ~~as Instrument No. \_\_\_\_\_.~~

“**Lease Purchase Agreement**” ~~or “LPA”~~ means that certain Lease Purchase Agreement by and between the County as lessor and the AOC as lessee, dated as of \_\_\_\_\_, 2014, and concerning the subordinated lease of the Court Facility.

~~“Permitted Encumbrances” means those liens, encumbrances, easements and other instruments of record that have been recorded in the Official Records of Alameda County against the Court Facility with the approval and consent of the Issuer, as provided in the Financing Agreements.~~

“**PWB**” means the State Public Works Board of the State of California.

“**Real Property**” means the Land and associated improvements thereon, including the Court Facility and the County Facility.

“**Shared Parking Area Parcel**” means the accessible (disabled) parking area located on Parcel 6 of the Land Parcel Map, ~~which is further depicted on the Parking Plan, attached as Exhibit “F” to the LPA, and includes a total of approximately 20 unsecured, paved, surface parking spaces, available for use by the parties to the LPA, their employees, visitors, guests, and the public complying with accessible vehicle requirements.~~

~~“Site Lease” means the Site Lease, dated as of \_\_\_\_\_, 2014 by and between the County, as lessor, and the Issuer, as lessee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions thereof, delivered in connection with the Facility Bonds.~~

“**State**” means and refers to the State of California.

3. Subordination. The Lease Purchase Agreement, and all of the AOC’s right, title, and interest in and to the Court Facility thereunder, shall be, and the same are expressly made subject to, subordinate and inferior to the Court Facility Financing Agreements.

4. Acknowledgements and Agreements of the Issuer. The Issuer declares, acknowledges, and agrees that:

4.1 The Lease Purchase Agreement, the Memorandum of Lease and Easement Agreements, the County Licenses are Bonds Permitted Encumbrances under the Court Facility Financing Agreements.

4.2 The AOC Licenses are Bonds Permitted Encumbrances under the County Facility Financing Agreements, ~~other than the Bond Indenture, and encumber the County Property and the Shared Parking Area Parcel.~~

4.24.3 The County Facility Financing Agreements do not in any manner create any liens or encumbrances against the Court Facility, ~~except for the Building Common Areas; under which Bond Indenture the Issuer has pledged to the Trustee lease payments of the County. The Bond Indenture provides for separate series of bonds for the County Facility and the Court Facility.~~

4.34.4 The County Facility Financing Agreements shall not be amended or modified if such amendment or modification materially impairs the AOC's quiet enjoyment and beneficial use of the Court Facility or creates a lien or encumbrance against the Court Facility.

4.44.5 ~~The Lease Purchase Agreement and AOC Licenses are Permitted Encumbrances and the~~ The AOC's quiet enjoyment and beneficial use and enjoyment of the Court Facility and AOC Licenses shall not be disturbed except as provided in the LPA, the Financing Agreements, Lease Purchase Agreement and this Agreement.

4.5 ~~The AOC has the right to record the Memorandum of Lease in the Official Records of Alameda County as provided in the Lease Purchase Agreement.~~

5. Acknowledgements and Agreements of the AOC. The AOC declares, acknowledges, and agrees that:

5.1 The AOC intentionally and unconditionally waives, relinquishes, subjects, and subordinates the liens, claims, and charges of the Lease Purchase Agreement in favor of the Court Facility Financing Agreements and understands that in reliance upon, and in consideration of, this waiver, relinquishment, subjection, and subordination, specific financing is being and will be made and, as part and parcel thereof, specific leasehold, monetary, and other obligations has been entered into, that would not be made or entered into but for the Issuer's and County's reliance upon this waiver, relinquishment, subjection, and subordination.

5.2 The AOC has delivered to the Issuer true and complete copies of the Lease Purchase Agreement, and the Lease Purchase Agreement has not been amended, modified or supplemented in any way, except as disclosed therein.

5.3 The Lease Purchase Agreement commences \_\_\_\_\_, 201\_ and ends \_\_\_\_\_, 20\_\_, unless earlier terminated as provided in the Lease Purchase Agreement.

5.4 There are no defaults (or conditions or events which, with notice or the passage of time or both, would constitute a default), known to the AOC as of the date hereof, by the County or the AOC under their respective obligations set forth in the Lease Purchase Agreement.

5.5 The County Licenses encumber portions of the Courthouse Parcel, including but not limited to the Building Common Areas, and the Court Designated Parking Areas Parcels, and such licenses are necessary for the quiet enjoyment and beneficial use of the County Facility.



6. Nondisturbance and Recognition. So long as a Non-Appropriation Event has not occurred or the AOC is not in default in performance of this Agreement or the terms, provisions and conditions contained in the Lease Purchase Agreement beyond all applicable notice, grace and cure periods:

6.1 Issuer shall not, in the exercise of any of the rights arising or which may arise out of the Court Facility Financing Agreements disturb or deprive the AOC of its rights of quiet enjoyment and beneficial use and occupancy of the Court Facility or of any right or privilege granted to or inuring to the benefit of the AOC under the Lease Purchase Agreement, including but not limited to the AOC Licenses.

6.2 In the event of termination or expiration of the Court Facility Lease before any of the dates provided in the Lease Purchase Agreement for the termination or expiration of the Lease Purchase Agreement and if immediately prior to such termination or expiration the Lease Purchase Agreement shall be in full force and effect, the AOC shall not be made a party in any removal or eviction action or proceeding brought by the Issuer under the Court Facility Financing Agreements nor shall the AOC be evicted or removed of its possession or its right of possession of the Court Facility be disturbed or in any way interfered with, and the Lease Purchase Agreement shall continue in full force and effect as a direct lease between Issuer and the AOC.

6.3 Without limiting the AOC's other rights under this Agreement, if the Court Facility Lease terminates for any reason and the Issuer does not relet the Court Facility to a third party, the AOC may elect to continue the Lease Purchase Agreement in full force and effect notwithstanding such termination of the Court Facility Lease, as provided in this Section 6.3. On such election by the AOC, the Lease Purchase Agreement shall continue as a direct lease between the Issuer and the AOC for the remainder of the term of the Lease Purchase Agreement ~~or the Site Lease Agreement, whichever is shorter~~, without the necessity of executing a new lease, on the same terms and conditions as are in effect under the Lease Purchase Agreement immediately preceding the termination of the Court Facility Lease.

7. Attornment. If the leasehold possessory interest of the County in the Court Facility shall be transferred to the Issuer or its successors and assigns by reason of any enforcement of the provisions in the Court Facility Financing Agreements, and if a Non-Appropriation Event has not occurred and the AOC is not then in default beyond all applicable notice, grace and cure periods, the Issuer or its successors and assigns shall be bound to the AOC and the AOC shall be bound to the Issuer and its successors or assigns, under all of the terms, covenants and conditions of the Lease Purchase Agreement, for the balance of the term with the same force and effect as if the Issuer or its successors and assigns were the original lessor under the Lease Purchase Agreement. The AOC does hereby agree to attorn to the Issuer and its successors and assigns as the lessor under the Lease Purchase Agreement, said attornment to be effective and self-operative without the execution of any further instruments upon the Issuer's or its successors and assigns succeeding to the interest of the County under the Lease Purchase Agreement, ~~provided the Issuer cannot acquire fee title.~~

8. ~~Integration; No Waiver. The Site Facility Lease and this Agreement are the whole and only agreements with regard to the subordination of the Lease Purchase Agreement and the AOC's interest in the Court Facility to the Financing Agreements.~~ Amendments. This Agreement may not be modified or amended except by a written agreement signed by the parties. No waiver shall be deemed to be made by the AOC or the PWB of any of their rights hereunder unless the same shall be in writing signed on behalf of the AOC and the PWB.

9. Recordation. This Agreement shall be recorded in the Official Records against the Land.

10. Binding Effect; Successors and Assigns. All of the provisions of this Agreement shall be covenants running with the land pursuant to applicable law and binding on the parties hereto and their representatives, successors, and assigns.

11. Governing Law. This Agreement is governed by the laws of the State of California, without regard to the choice of law rules of that state.

12. Counterparts. This Agreement may be executed in counterparts, and all counterparts constitute but one and the same document.

**IN WITNESS** of the foregoing provisions, the Parties have entered into Subordination, Attornment and Nondisturbance Agreement as of the date first written above.

APPROVED AS TO FORM:

ADMINISTRATIVE OFFICE OF THE  
COURTS, OFFICE OF THE GENERAL  
COUNSEL

By: \_\_\_\_\_  
Name: Leslie G. Miessner

**JUDICIAL COUNCIL OF CALIFORNIA,  
ADMINISTRATIVE OFFICE OF THE COURTS**

By: \_\_\_\_\_  
Name: Grant Walker  
Title: Business Services Manager  
Date: \_\_\_\_\_

ATTEST:

Clerk to the Board of Supervisors

By: \_\_\_\_\_  
Deputy

**COUNTY OF ALAMEDA, a political subdivision of  
the State of California**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President, Board of Supervisors  
Date: \_\_\_\_\_

Approved As to Form:  
DONNA R. ZIEGLER, COUNTY COUNSEL

By: \_\_\_\_\_  
Andrea L. Weddle  
Assistant County Counsel

AUTHORIZED:  
STATE OF CALIFORNIA  
State Public Works Board

By: \_\_\_\_\_  
Brian Dewey  
Deputy Director

Date: \_\_\_\_\_

**EXHIBIT A**

Legal Description of the Land

[To be inserted]

**EXHIBIT B**

Buildings Property Line Drawing

[To be inserted]

**EXHIBIT C**

Parking Plan

[To be inserted]

**EXHIBIT D**

Land Parcel Map

[To be inserted]