



AGENDA
REGULAR MEETING OF THE MAYWOOD CITY COUNCIL AND THE
SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY
REDEVELOPMENT AGENCY

WEDNESDAY, MARCH 9, 2022 AT 7:00 PM

Maywood City Council Chambers
4319 E. Slauson Avenue, Maywood, CA 90270
www.cityofmaywood.com

I. CALL TO ORDER/ROLL CALL

CALL TO ORDER
ROLL CALL

II. CITY OFFICIALS

MAYOR
Heber Marquez

CITY CLERK
Flor Aguiluz

MAYOR PRO TEM
Frank Garcia

CITY TREASURER
Mary Mariscal

COUNCIL MEMBERS
Eduardo De La Riva
Ricardo Lara
Jessica Torres

CITY MANAGER
Jennifer E. Vasquez

CITY ATTORNEY
Roxanne Diaz

III. COVID-19 MEETING PROCEDURES

PUBLIC ADVISORY: This meeting will be conducted pursuant to the provisions of Government Code Section 54953(e) (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act in compliance with Government Code Section 54953(e) during a proclaimed State of Emergency. For this regular meeting, members of the City Council and City Staff are permitted to attend the meeting by teleconference and such teleconference locations are not accessible to the public and are not subject to special posting requirements. Some members of the City Council and staff may attend the meeting at City Hall in the City Council Chambers located at 4319 E. Slauson Avenue. The City Council Chambers, however, will not be open to the Public. The meeting will be broadcast

using the Zoom platform as well as broadcasted live on the City's Facebook page.

To maximize public health and safety while still maintaining transparency and public access, members of the public can observe and participate in the meeting virtually via Zoom or follow the meeting live via the City's Facebook page. Public participation is highly encouraged using the virtual platform. Below is information on how the public may observe and participate in the meeting.

To speak on an agenda item, you can access the meeting remotely via zoom :

Join by phone 1-669-900-6833 Enter Meeting ID: 847 5410 8531 Passcode: 746025

OR Click the link below to join the webinar:

<https://us02web.zoom.us/j/84754108531?pwd=Y1U3RDFoempRZlVxeEhkTWcyU1Z0UT09>

Passcode: 746025

To participate in the meeting by providing public comment via teleconference/video conference:

Live real-time verbal public comments may be made by members of the public joining the meeting via Zoom. Zoom access information is provided above. Use the "raise hand" feature (for those joining by phone, press *9 to "raise hand") during the public participation period for agenda items or during the public participation period for non-agenda items. The Zoom Host will call on people to speak by name provided or last 4 digits of phone number.

Before the meeting: You can also submit your public comments for the record in advance by 4:30 pm the day of the meeting by email to shirley.quinones@cityofmaywood.org; or if you are unable to email, please call the City Clerk's Office at (323) 562-5714. Your comment will be made part of the written record but will NOT be read verbally at the meeting.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the Council meeting, please contact the City Clerk's Office, (323) 562-5714 within 48 hours of the meeting.

IV. MAYOR, COUNCILMEMBERS AND STAFF COMMENTS

V. PUBLIC PARTICIPATION (Agenda Items; Time allotted: 3 minutes)

Speakers wishing to address the City Council on an item on the agenda may use the instructions provided in section **III. COVID - 19 MEETING PROCEDURES** on page 1 of this agenda.

VI. PRESENTATIONS

RECOGNITION OF SERVICE AND PRESENTATION TO FLOR AGUILUZ FOR SERVING AS CITY CLERK

RECOGNITION OF ANA FIGUEROA, THANKING HER FOR HER SERVICE TO THE CITY OF MAYWOOD AS THE DISTRICT CHIEF OF STAFF FOR CONGRESSWOMAN LUCILLE

SHERIFF'S UPDATE

VII. PUBLIC HEARING

VIII. CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council request specific items to be removed from the Consent Calendar for separate discussion or action.

1. MINUTES OF FEBRUARY 23, 2022 CITY COUNCIL MEETING
2. RESOLUTION NO. 6226 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD AND SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY APPROVING THE WARRANTS FOR PAYMENT

IX. DISCUSSION/ACTION ITEMS

3. DISCUSSION OF THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY TO DETERMINE WHETHER THE LEGISLATIVE BODIES OF THE CITY OF MAYWOOD WILL CONTINUE TO HOLD MEETINGS VIA TELECONFERENCING AND MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(3).
4. RESOLUTION NO. 6227 APPROVING THE TERMS OF A PRIVATE PLACEMENT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,600,000, AUTHORIZING CERTAIN PROFESSIONALS, AND OTHER MATTERS RELATING THERETO
5. DISCUSSION AND DIRECTION REGARDING FILLING THE CITY CLERK VACANCY PURSUANT TO GOVERNMENT CODE SECTION 36512 CAUSED BY A RESIGNATION

X. CLOSED SESSION

XI. PUBLIC PARTICIPATION (Non-Agenda Items; Time allotted: 3 minutes)

Speakers wishing to address the City Council on a non- agenda item you may use the instructions provided in section **III. COVID - 19 MEETING PROCEDURES** on page 1 of this agenda.

- XII. ADJOURNMENT** - The next Regular Meeting of the Maywood City Council is Wednesday, March 23, 2022 at 7:00 p.m.

PUBLIC ACCESS TO MEETING AGENDA AND AGENDA PACKETS

I, _____, Flor Aguiluz, City Clerk or Shirley Quinones, Deputy City Clerk, hereby certify that this agenda was duly posted by law at 4319 E. Slauson Avenue, Maywood, CA 90270 and the City Website. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the Maywood City Hall, 4319 E. Slauson Avenue, Maywood CA 90270. If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to rising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting. In compliance with the ADA, if you need special assistance for the meeting, call (323) 562-5723 within 72 hours prior to the meeting so the City can make reasonable arrangements to ensure accessibility.





MINUTES
REGULAR MEETING OF THE MAYWOOD CITY COUNCIL AND THE
SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY
REDEVELOPMENT AGENCY

WEDNESDAY, FEBRUARY 23, 2022 AT 7:00 PM

I. CALL TO ORDER/ROLL CALL

Mayor Marquez called to order at approximately 7:03 p.m.

II. CITY OFFICIALS

MAYOR

Heber Marquez (present)

CITY CLERK

Flor Aguiluz (teleconference)

MAYOR PRO TEM

Frank Garcia (teleconference)
arrived at 7:22 p.m.

CITY TREASURER

Mary Mariscal (teleconference)

COUNCIL MEMBERS

Eduardo De La Riva (present)
Ricardo Lara (present)
Jessica Torres (teleconference)

CITY MANAGER

Jennifer E. Vasquez (present)

CITY ATTORNEY

Roxanne Diaz (teleconference)

STAFF PRESENT:

Hrant Manuelian, Finance Director (present)
Steve Fowler, Director of Building and Planning (present)
Shirley Quinones, Deputy City Clerk (present)

III. COVID-19 MEETING PROCEDURES

PUBLIC ADVISORY: THE CITY COUNCIL CHAMBERS ARE NOT OPEN TO THE PUBLIC pursuant to the provisions of Government Code Section 54953(e) (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act in compliance with Government Code Section 54953(e) during a proclaimed State of Emergency.

OBSERVERS WERE ABLE TO VIEW THE MEETING LIVESTREAMED VIA THE CITY'S FACEBOOK AT: <https://www.facebook.com/cityofmaywood> OR BY ZOOM AT:

Live real-time verbal public comments were made by members of the public joining the meeting via the Zoom platform.

IV. MAYOR, COUNCILMEMBERS AND STAFF COMMENTS

Mayor and Council Members provided community updates.

V. PUBLIC PARTICIPATION (Agenda Items; Time allotted: 3 minutes)

The following spoke on Agenda items: None

VI. PRESENTATIONS

None

VII. PUBLIC HEARING

None

VIII. CONSENT CALENDAR

1. MINUTES OF FEBRUARY 9, 2022 CITY COUNCIL MEETING

Motion to approve the Minutes of February 9, 2022 City Council Meeting by Lara. Second by De La Riva. AYES: De La Riva, Lara, Torres, Marquez . PASSES

2. RESOLUTION NO. 6223 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD AND SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY APPROVING THE WARRANTS FOR PAYMENT

Motion to adopt Resolution No. 6223 of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency approving the Warrants for Payment by Lara. Second by De La Riva. AYES: De La Riva, Lara, Torres, Marquez . PASSES

3. MONTHLY CASH AND INVESTMENT REPORT TO THE CITY COUNCIL FOR JANUARY 2022

Motion to receive and file the Monthly Cash and Investment Report to the City Council for January 2022 by Lara. Second by De La Riva. AYES: De La Riva, Lara, Torres, Marquez . PASSES

4. REVENUE REPORT FROM JULY 2021 - JANUARY 2022

Motion to receive and file the Revenue Report from July 2021 - January 2022 by Lara. Second by De La Riva. AYES: De La Riva, Lara, Torres, Marquez . PASSES

5. RESOLUTION NO. 6224 APPROVING THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF MAYWOOD AND THE COUNTY OF LOS ANGELES AND AUTHORIZING THE MAYOR TO EXECUTE THE RENEWAL AGREEMENT

Motion to adopt Resolution No. 6224 approving the General Services Agreement between the City of Maywood and the County of Los Angeles and authorizing the Mayor to execute the renewal agreement by Lara. Second by De La Riva. AYES: De La Riva, Lara, Torres, Marquez . PASSES

6. CONSIDERATION OF REJECTING BIDS AND AUTHORIZATION TO RE-ADVERTISE CONSTRUCTION OF RIVERFRONT PARK FITNESS COURT, PROJECT NO. 6303

Motion to reject bids and authorize staff to re-advertise construction of Riverfront Park Fitness Court, Project No. 6303 by Lara. Second by De La Riva. AYES: De La Riva, Lara, Torres, Marquez . PASSES

IX. DISCUSSION/ACTION ITEMS

7. CONSIDERATION OF ENTERING INTO AN AGREEMENT WITH OPTIMERE FOR PUBLIC RECORDS REQUEST SOFTWARE (NEXTREQUEST) AND APPROPRIATING \$7,200 FROM THE AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR THE SERVICES.

Motion to approve an agreement with Optimere for Public Records Request software (NextRequest); authorize the City Manager to execute the agreement in the form approved and negotiated by the City Attorney; and approve the appropriation of \$7,200 of the American Rescue Plan Act Funds for the services by De La Riva. Second by Lara. AYES: De La Riva, Lara, Torres, Garcia, Marquez . PASSES

8. FISCAL YEAR (FY) 21/22 MIDYEAR FINANCIAL REPORT AND CONSIDERATION OF ADOPTION OF RESOLUTION NO. 6225 TO AMEND THE FY 21/22 BUDGET

Motion to receive and file Fiscal Year 21/22 Mid-Year Financial Report adopt Resolution No. 6225 Amending the Fiscal Year 2021 -2022 Budget by De La Riva. Second by Mayor Pro Tem Garcia. AYES: De La Riva, Lara, Torres, Garcia, Marquez . PASSES

X. CLOSED SESSION

None

XI. PUBLIC PARTICIPATION (Non-Agenda Items; Time allotted: 3 minutes)

The following spoke on Non-Agenda items: None

XII. ADJOURNMENT

Meeting adjourned at approximately 7:39 p.m. to the next meeting of the Maywood City Council, Wednesday, March 9, 2022 at 7:00 p.m.

Heber Marquez, Mayor

ATTEST:

Flor Aguiluz, City Clerk

RESOLUTION NO. 6226

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MAYWOOD AND SUCCESSOR AGENCY TO THE MAYWOOD
COMMUNITY REDEVELOPMENT AGENCY APPROVING THE
WARRANTS FOR PAYMENT**

WHEREAS, the following listed demands have been reviewed by the Director of Finance, and

WHEREAS, the Director of Finance has certified accuracy and
availability of funds for payment thereof, and

WHEREAS, the register of audited demands is hereby submitted to the City Council of the City of Maywood and
Successor Agency to the Maywood Community Redevelopment Agency for approval.

NOW, THEREFORE, BE IT RESOLVED, that the listed Warrants and Wire Transfers/Automated Clearing House (ACH)
Transactions for \$649,370.25 are hereby ratified:

- Exhibit A – Summary of Warrants and Wire Transfers/ACH Transactions
- Exhibit B – Detail of Warrants

PASSED, APPROVED AND ADOPTED THIS 9th day of March, 2022.

Heber Marquez, Mayor

ATTEST:

APPROVED AS TO FORM:

Shirley Quinones, Deputy City Clerk

Roxanne Diaz, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF MAYWOOD)

I, Shirley Quinones, Deputy City Clerk of the City Council of the City of Maywood, do hereby certify that foregoing Resolution No. 6226 was duly passed and adopted by the City Council of the City of Maywood, at a regular meeting of the City Council held on the 9th day of March, 2022 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

Shirley Quinones, Deputy City Clerk

City of Maywood
Summary Warrants for Payment and Wire Transfers/ACH Transactions
Council Meeting Date
Wednesday, March 9, 2022

Accounts Payable

	Amount
Accounts Payable prepaid warrants for payment: Checks No. 089365 - 089390	\$ 55,078.09
Accounts Payable regular warrants for payment: Checks No. 089391 - 089414	\$ 586,097.83
Sub-total	<u>\$ 641,175.92</u>

Wire Transfers/ACH Transactions

02/18/22 ADP Payroll Fees	\$ 371.00
02/23/22 CalPERS Employer Contribution 1/30/22 - 2/12/22	\$ 7,032.55
02/23/22 ADP Payroll Fees	\$ 183.75
03/01/22 US Bank - Merchant Fees	\$ 607.03
Sub-total	<u>\$ 8,194.33</u>

Total Demands	<u><u>\$ 649,370.25</u></u>
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City of Maywood
Detail Warrants for Payment
Warrants No. 089365 to 089414

Check No.	Prepays	Date	Vendor Name	Check Amt	Transaction Description	Fund
089365	P	3/2/2022	Amazon Capital Services	381.42	3 shelf utility cart	General Fund - 01
089366	P	3/2/2022	Angel Villegas	698.71	Retiree Medical Reimbursement March 2022	General Fund - 01
089367	P	3/2/2022	AT&T	25.46	Elevator Emergency Phone Line 01/10/2022 - 02/09/2022	General Fund - 01
089368	P	3/2/2022	Brent Talmo	698.71	Retiree Medical Reimbursement March 2022	General Fund - 01
089369	P	3/2/2022	Bruce Leflar	1,290.56	Retiree Medical Reimbursement March 2022	General Fund - 01
089370	P	3/2/2022	Christine M. Locher	232.94	Retiree Medical Reimbursement March 2022	General Fund - 01
089371	P	3/2/2022	County of L.A. Dept. of Animal Control	4,664.53	Animal Control Services January 2022	General Fund - 01
089372	P	3/2/2022	Eduardo De la Riva	594.29	Thanksgiving Dinner City supplies City sponsored event	General Fund - 01
089373	P	3/2/2022	Edward Ahrens	1,290.56	Retiree Medical Reimbursement March 2022	General Fund - 01
089374	P	3/2/2022	Flor Aguiluz	300.00	March 2022 City Clerk Stipend	General Fund - 01
089375	P	3/2/2022	George Hill Company	366.00	City Claims/Adjuster January 2022	General Fund - 01
089376	P	3/2/2022	Hrant Manuelian	692.69	Travel Expense Reimbursement-CSMFO Conference Expense Reimbursement-CSMFO Conference Mileage	Travel General Fund - 01
089377	P	3/2/2022	Jesus & Ana Silahua	1,000.00	C & D Recycling Compliance Measure Deposit Return	General Fund - 01
089378	P	3/2/2022	Mary Mariscal	50.00	March 2022 Treasurer Stipend	General Fund - 01
089379	P	3/2/2022	Paul Pine	1,722.43	Retiree Medical Reimbursement March 2022	General Fund - 01
089380	P	3/2/2022	Phoenix Group Information Systems	2,449.50	Citation Rolls	General Fund - 01
089381	P	3/2/2022	Procure America	5,117.85	Utility Services Review and Analysis	General Fund - 01
089382	P	3/2/2022	Robert Leach	1,005.00	Retiree Medical Reimbursement March 2022	General Fund - 01
089383	P	3/2/2022	Rolando Rivera	1,000.00	C & D Recycling Compliance Measure Deposit Return	General Fund - 01
089384	P	3/2/2022	Ronald Lindsey	1,096.31	Retiree Medical Reimbursement March 2022	General Fund - 01
089385	P	3/2/2022	Scott C. Anderson	1,290.56	Retiree Medical Reimbursement March 2022	General Fund - 01
089386	P	3/2/2022	U.S. Bank Corporate Payment System	3,936.45	Acct#4246044555755283 Credit Card Expense 01/19/22-02/15/22	General Fund - 01
089387	P	3/2/2022	U.S. Bank Operations Center	2,750.00	A/C# 129430000 Annual Trustee Fees	General Fund - 01
089388	P	3/2/2022	Van Lant & Fankhanel, LLP	21,835.00	City's 2020-2021 Annual Audit Services	General Fund - 01
089389		3/2/2022	VOIDED		VOIDED	
089390	P	3/2/2022	Xerox Financial Services	589.12	Lease Payment 01-30-2022 to 02-27-2022	General Fund - 01
089391		3/3/2022	Amazon Capital Services	43.78	Book Images of America - Maywood	General Fund - 01
089392		3/3/2022	Arturo Sanchez dba Calmex Graphics	456.62	Business Cards City Staff	General Fund - 01
089393		3/3/2022	Comcate Software, Inc.	10,694.00	Building/Code Enforcement Software	General Fund - 01
089394		3/3/2022	Dapeer, Rosenblit & Litvak, LLP	61.39	Code Enforcement Legal Services January 2022	General Fund - 01
089395		3/3/2022	Dave And Frank Automotive	20.00	VIN#1N4BZ0CPXHC308395 Tire Repair	General Fund - 01
089396		3/3/2022	Expert Building Maintenance LLC	8,222.50	Additional Janitorial Services February 2022 Hall/Police Station/Parks February 2022	City General Fund - 01
089397		3/3/2022	Global Equipment Company, Inc.	1,621.72	Public Works	General Fund - 01
089398		3/3/2022	Graffiti Protective Coatings	12,633.60	CityWide Graffiti Removal January 2022	Gas Tax - 04 CDBG - 16
089399		3/3/2022	Hinderliter, de Llamas & Assoc.	20,750.00	Cannabis Management Program December 2021/Jan 2022	General Fund - 01
089400		3/3/2022	Interwest Consulting Group	13,864.21	Building & Safety Plan Review Services January 2022 Professional Services for Plan Review January 2022	General Fund - 01
089401		3/3/2022	Kimley-Horn and Associates, Inc.	13,454.63	Local Roadway Safety Plan Consultant Contract	General Fund - 01
089402		3/3/2022	L.B. Johnson Hardware Co.	141.33	Car Wash Supplies	General Fund - 01

City of Maywood
Detail Warrants for Payment
Warrants No. 089365 to 089414

Check No.	Prepays	Date	Vendor Name	Check Amt	Transaction Description	Fund
089403		3/3/2022	LACMTA FILE #54924-0	1,020.00	January 2022 Metro TAP Cards	General Fund - 01
089404		3/3/2022	LGP Equipment Rentals	131.97	Street Maintenance	Gas Tax - 04
089405		3/3/2022	Tri-City Mutual Water Company	279.00	4618 Slauson Avenue 12-17-2021 to 02-17-2022 4800 Slauson Avenue 12-18-2021 to 02-17-2022 5600 Heliotrope Ave 12-22-2021 to 02-23-2022 58th Street Maywood Park 12-21-2021 to 02-18-2022	General Fund - 01
089406		3/3/2022	Nationwide Environmental Services	7,410.00	Street Sweeping Services February 2022	General Fund - 01
089407		3/3/2022	Nichols Consulting Engineers, CHTD dba NCE	9,887.92	Pavement Management Project Professional Svcs	Gas Tax - 04
089408		3/3/2022	North Star Landcare	9,831.25	Landscape Services February 2022	General Fund - 01 Gas Tax - 04
089409		3/3/2022	Phoenix Group Information Systems	4,221.19	January 2022 Citation Processing FTB Intercept Letters January 2022 Parking Citation Processing January 2022 Permit Processding Fee	General Fund - 01
089410		3/3/2022	SHERIFF'S DEPT COUNTY OF LOS ANGELES	428,646.48	Public Safety Services January 2022	General Fund - 01
089411		3/3/2022	Sprint	604.08	Cell Phone Service: 01/24/22 to 02/23/22	General Fund - 01
089413		3/3/2022	Transtech Engineers, Inc	42,020.50	Aquatic Center Pool Replastering Bid Package ATP Cyc 5 Coordination Baseball Field Improvements Building and Safety Plan Services CIP Riverfront Park Outdoor Fitness Install Citywide Traffic and Speed SurveyGeneral Traffic, Engineering and Planning Serv Local Road Safety Plan Maywood Fee Study PW Encroachment Permit Inspect Services Street Lighting Improvements Various Locations CIP Citywide Street Name Sign Replacement Traffic 52nd Drive, Heliotrope to Atlantic Speed Humps Traffic Vernon at 52nd and King to Stop Sign Review CDBG Sidewalk Rehab Proj FY 20/21 Sewer Improvements 52nd St, 52nd Pl and other locations	General Fund - 01 Gas Tax - 04 CDBG - 16 Sewer - 35
089414		3/3/2022	Vernon, City of	81.66	ACCT # 413 E Slauson & Downey 01/03/22 to 02/01/22 ACCT#414 Slauson & Downey 01/05/22 to 02/03/22	General Fund - 01
TOTAL:				\$641,175.92		

AGENDA REPORT

CITY OF MAYWOOD



AGENDA ITEM NO. 3.

DATE: March 9, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: SHIRLEY QUINONES, EXECUTIVE ASSISTANT/DEPUTY CITY CLERK

SUBJECT: DISCUSSION OF THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY TO DETERMINE WHETHER THE LEGISLATIVE BODIES OF THE CITY OF MAYWOOD WILL CONTINUE TO HOLD MEETINGS VIA TELECONFERENCING AND MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(3).

RECOMMENDATION:

Staff recommends that the City Council discuss the circumstances of the Covid-19 State of Emergency to determine whether the legislative bodies of the city of Maywood will continue to hold meetings via teleconferencing and making findings pursuant to Government Code Section 54953(e)(3).

BACKGROUND:

The City Council and its legislative bodies have met remotely during the pandemic to protect the health and safety of the public and staff. The factual circumstances exist for the City's legislative bodies to continue to hold meetings pursuant to AB361. The state of emergency is still in effect and on October 13, 2021, the City Council adopted Resolution No. 6200 finding that state and local officials (the County of Los Angeles) have recommended measures to promote social distancing as a result of the Covid-19 state of emergency. On February 9, 2022, the City Council reconsidered the findings and continued to make the required findings in order to meet remotely in accordance with AB361.

DISCUSSION:

Since the last time this item was considered by the City Council, the Los Angeles Department of Public Health and the State's department of public health have updated both the social distancing requirements and mask mandates.

According to data from the Los Angeles County Department of Health, as of February 27, 2022, the 5-plus fully vaccinated percentage in the City of Maywood is 66.5%; this is an improvement for the community. However, given that the mask mandate has just been lifted in Los Angeles County on March 4th and beginning on March 12th, schools will have the option to make mask-wearing optional, the City Council may wish to consider continuing the ability to meet remotely pursuant to Government Code Section 54953(e) (AB 361), and if so the City Council must make certain findings no later than 30 days after teleconferencing for the first time pursuant to AB361, and every 30 days thereafter. Staff can monitor positive test rates for the County and bring back a report in 2-weeks at the next City Council meeting if the Council wishes to continue to make the finding to meet remotely in accordance with AB361.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

There is no financial impact if the City Council makes the determination under AB 361 as the City has been meeting in a remote format since the onset of the pandemic in March 2020.

ATTACHMENT(S)

AGENDA REPORT

CITY OF MAYWOOD



AGENDA ITEM NO. 4.

DATE: March 9, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: HRANT MANUELIAN, FINANCE DIRECTOR

SUBJECT: RESOLUTION NO. 6227 APPROVING THE TERMS OF A PRIVATE PLACEMENT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A LEASE AGREEMENT, A TRUST AGREEMENT, AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,600,000, AUTHORIZING CERTAIN PROFESSIONALS, AND OTHER MATTERS RELATING THERETO

RECOMMENDATION:

Staff recommends that the City Council of the City (the "City Council") adopt Resolution No. 6227 approving the terms of a private placement, approving the form of and authorizing the execution and delivery of a site lease, a lease agreement, a trust agreement, and authorizing certain actions in connection with the execution and delivery of certificates of participation in the aggregate principal amount not to exceed \$2,600,000, authorizing certain professionals, and other matters relating thereto.

BACKGROUND:

In 2008 the City of Maywood ("City") issued \$3,185,000 of Lease Revenue Refunding Bonds (the "2008 Bonds") to refinance certain variable rate obligations that were originally issued in 1999. Given the currently low interest rate environment, in conjunction with the City's recent strong credit rating of A+ that was assigned to the 2021 Pension Obligation Bonds that were issued late last year, the City has an opportunity to issue new obligations to refinance the 2008 Bonds for substantial savings.

The City's Finance Team has identified an accredited purchaser ("Purchaser") that is interested in purchasing all of the proposed 2022 obligations in a "private placement" transaction. This approach to selling City obligations has the benefit of reduced costs and substantial time savings. Furthermore, the financial institution has offered to "lock" the interest rate on the proposed financing at 2.44%, which means, unlike the issuance of the 2021 Pension Obligation Bonds, we already know the interest rate and do not have to market and sell the proposed 2022 Certificates of Participation (the "COPs") before knowing the results of the sale.

DISCUSSION:

The proposed COPs will result in average annual savings to the City's General Fund of approximately \$76,000 with total savings of \$1,291,667 over the remaining term of the COPs. This results in Net Present Value ("NPV") savings of \$790,545 for a NPV Savings percentage of 31.43%. Generally speaking, it is considered advisable to undertake a refinancing transaction when the NPV savings are 3% or greater.

For the City Council's consideration is the package of legal documents that the City needs to authorize for the transaction. The various contracts and legal documents and their purposes are as follows:

1. The Site Lease between the City and the Municipal Finance Corporation leases certain City property, including City Hall (the "Leased Property"), to the Corporation, as was done in connection with the 2008 Bonds.
2. The Lease Agreement between the Corporation and the City leases the Leased Property back to the City for annual rental that will support debt service on the COPs. The Corporation's right to receive such rental is assigned to U.S. Bank National Association, as trustee for the COPs (the "Trustee"), pursuant to an Assignment Agreement between the Corporation and the Trustee that will be approved by the Corporation's Board of Directors.
3. The Trust Agreement among the City, the Corporation and the Trustee, is the document governing payments and prepayments relating to the COPs, and contains other provisions relating to the execution and delivery of the COPs by the trustee.

GOOD FAITH ESTIMATES

The following information was obtained from the City's Municipal Advisor, Kosmont Transactions Services, Inc. with respect to the COPs to be approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the COPs:

1. *True Interest Cost of the COPs.* Assuming an aggregate principal amount of Pension Obligation Bonds of \$2,465,000 are sold and based on market interest rates provided by the Placement Agent at the time of preparation of this information, a good faith estimate of the true interest cost of the COPs, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the COPs, is 2.4401%.
2. *Finance Charge of the COPs.* Assuming an aggregate principal amount of COPs Bonds of \$2,465,000 are sold and based on market interest rates provided by the Placement Agent at the time of preparation of this information, a good faith estimate of the finance charge of the COPs, which means the sum of all fees and charges paid to third parties (or costs associated with the COPs), is \$191,828 as follows:

<u>Cost of Issuance</u>	<u>Estimated Amounts</u>
Bond Counsel	\$45,000
City Counsel	5,000
Municipal Advisor	50,000
Real Estate Advisor	10,000
Placement Agent	45,000
Placement Agent Counsel	5,000
Trustee & Escrow Agent	10,000
Lease Counterparty	7,500
Title Insurance	2,500
Verification Agent	2,500
Miscellaneous + Contingency	9,328
Total	\$191,828

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of COPs of \$2,465,000 are sold and based on market interest rates provided by the Placement Agent at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City for sale of the COPs less the finance charge of the COPs described in Paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the COPs, is \$2,537,006.

4. *Total Payment Amount.* Assuming an aggregate principal amount of \$2,645,000 of COPs are sold and based on market interest rates provided by the Placement Agent at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the COPs plus the finance charge of the COPs described in paragraph 2 above not paid with the proceeds of the COPs, calculated to the final maturity of the COPs, is \$3,009,558.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of COP sale, the amount of COPs sold, the amortization of the COPs sold, and market interest rates at the time of the sale. The date of sale and the amount of COPs sold will be determined by the City based on the amount required to pay off the 2008 Bonds, and other factors. The Resolution approves, among other things, the execution and delivery of the COPs and the Term Sheet provided by the Purchaser which provides for an interest rate of 2.44% per annum.

LEGAL REVIEW:

The City Attorney has reviewed the attached documentation.

FISCAL IMPACT:

Refinancing the 2008 Bonds will result in average annual savings to the City's General Fund of approximately \$76,000, with total savings of \$1,291,667, net of all financing and issuance costs, over the term of the COPs.

ATTACHMENT(S)

1. Lease Agreement - Maywood 2022 COPs
2. Trust Agreement - Maywood 2022 COPs
3. Site Lease - Maywood 2022 COPs
4. Term Sheet - Maywood - 02-10-22

RESOLUTION NO. 6227

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD APPROVING THE
TERMS OF A PRIVATE PLACEMENT, APPROVING THE FORM OF AND
AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A LEASE
AGREEMENT, A TRUST AGREEMENT, AUTHORIZING CERTAIN ACTIONS IN
CONNECTION WITH THE EXECUTION AND DELIVERY OF CERTIFICATES OF
PARTICIPATION IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$2,600,000, AUTHORIZING CERTAIN PROFESSIONALS, AND OTHER MATTERS
RELATING THERETO**

WHEREAS, the City of Maywood, California (the “City”) is a municipal corporation and a general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California.

WHEREAS, it has been proposed that Municipal Finance Corporation, a corporation duly organized and validly existing under and by virtue of the laws of the State of California (the “Corporation”) assist the City in refunding all or a portion of the outstanding Maywood Public Financing Authority 2008 Lease Revenue Refunding Bonds, Series A (Infrastructure Refinancing Project) by causing the execution and delivery of City of Maywood Certificates of Participation, 2022 Series A (the “Certificates”); and

WHEREAS, the City has received, and desires to accept, a bid for a private placement of the Certificates from First Foundation Public Finance (“First Foundation”) and to authorize the placement of the Certificates with First Foundation; and

WHEREAS, in connection therewith, the City Council of the City (the “City Council”) wishes to proceed with a lease financing in the manner set forth in that certain Lease Agreement described below; and

WHEREAS, the City will lease to the Corporation certain real property (the “Leased Premises”) pursuant to a Site Lease (the “Site Lease”) and the Corporation, concurrently with the execution of the Site Lease, will sublease the Leased Premises back to the City pursuant to a Lease Agreement (the “Lease Agreement”) in consideration for rental payments equal to the principal and interest components coming due with respect to the Certificates;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The City Council finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

Section 2. The City hereby approves the execution and delivery of the Certificates in an aggregate principal amount not to exceed \$2,600,000.

Section 3. The City hereby accepts the terms set forth in the First Foundation bid for private placement, dated February 10, 2022, subject to the authorizations and limitations set forth herein.

Section 4. The City hereby approves the form of Trust Agreement, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be approved by the Mayor (or in his absence, the Mayor Pro Tem) or the City Manager (as authorized by Section 2-2.103(n) of the City’s Municipal Code) (each a “Responsible Officer”), with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The City hereby approves the form of Site Lease, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The City hereby approves the form of Lease Agreement, substantially in the form presented to the City Council and on file with the City Clerk, with such revisions, amendments and completions as shall be

approved by a Responsible Officer, with the advice of special counsel to the City, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. In connection with the Certificates, the City Council hereby approves the appointment of Norton Rose Fulbright US LLP to perform special counsel services, Kosmont Transactions Services, Inc., to perform Municipal Advisor services, and Raymond James & Associates, Inc., as placement agent. Any Responsible Officer is hereby authorized and directed to enter into professional services agreements with each of the foregoing.

Section 8. Each Responsible Officer and other officers of the City are hereby authorized and directed, jointly and severally, for and in the name on behalf of the City, to execute and deliver a placement agent agreement, an escrow agreement or instructions and any and all other agreements, assignments, documents, certificates, terminations and other instruments, and to do any and all things and take any and all actions which may be necessary or advisable in their discretion, to carry out and give effect to the actions which the City has approved in this Resolution.

Section 9. All actions heretofore taken by any Responsible Officer or any officer, employee or agent of the City with respect to the issuance, delivery and sale of the Certificates or in connection with or related to any of the agreements referred to herein, are hereby approved, confirmed and ratified.

Section 10. This Resolution does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Resolution's effective date. Any such amended part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Resolution.

Section 11. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

Section 12. This Resolution may be executed with electronic signatures in accordance with Government Code of the State of California §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

Section 13. The Mayor, or presiding officer, is hereby authorized to affix their signature to this Resolution signifying its adoption by the City Council of the City of Maywood, and the City Clerk, or their duly appointed deputy, is directed to attest thereto

Section 14. This Resolution becomes effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED THIS 9th day of March, 2022.

Heber Marquez, Mayor

ATTEST:

APPROVED AS TO FORM:

Shirley Quinones, Deputy City Clerk

Roxanne Diaz, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF MAYWOOD)

I, Shirley Quinones, Deputy City Clerk of the City Council of the City of Maywood, do hereby certify that foregoing Resolution No. 6227 was duly passed and adopted by the City Council of the City of Maywood, at a regular meeting of the City Council held on the 9th day of March, 2022 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

Shirley Quinones, Deputy City Clerk

AFTER RECORDATION PLEASE RETURN TO:

Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Russell C. Trice, Esq.

LEASE AGREEMENT

by and between

MUNICIPAL FINANCE CORPORATION,

as Lessor

and

CITY OF MAYWOOD,

as Lessee

Dated as of March 1, 2022

THIS IS A FINANCING DOCUMENT:
NO DOCUMENT TRANSFER TAX IS DUE
PURSUANT TO GOVERNMENT CODE SECTION 27383

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EXHIBITS:

- Exhibit A – Schedule of Lease Payments
- Exhibit B – Legal Description of Leased Property

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of March 1, 2022 (this “Lease”), by and between the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and validly existing under and by virtue of the laws of the State of California, as lessor (the “Lessor”), and the CITY OF MAYWOOD, general law city duly organized and existing under the laws of the State of California, as lessee (the “Lessee”);

WITNESSETH:

WHEREAS, Section 37350 *et seq.* of the Government Code of the State of California (the “Government Code”) provides that the Lessee may enter into a lease agreement for real and personal property in the State of California (the “State”); and

WHEREAS, concurrently herewith the Lessor will execute and deliver \$[PAR AMOUNT] in aggregate principal amount of its City of Maywood Certificates of Participation, 2022 Series A (the “Certificates”) supported by lease payments (the “Lease Payments”) and prepayments (the “Prepayments”) to be made by the Lessee under this Lease with respect to the Leased Property (as defined below); and

WHEREAS, the Certificates are being executed, delivered and secured under a Trust Agreement, dated as of March 1, 2022 (the “Trust Agreement”), by and among the Lessee, the Lessor and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, to refund all or a portion of the Lessee’s outstanding Maywood Public Financing Authority 2008 Lease Revenue Refunding Bonds, Series A (Infrastructure Refinancing Project) (the “2008 Bonds”), the Lessee proposes to enter into a Site Lease, dated as of March 1, 2022 (the “Site Lease”), with the Lessor, wherein the Lessee will lease to the Lessor certain real property and improvements belonging to the Lessee (collectively, the “Leased Property,” as more particularly described in Exhibit B hereto); and

WHEREAS, the Lessor now proposes to lease the Leased Property back to the Lessee and the Lessee proposes to lease the Leased Property from the Lessor pursuant to this Lease; and

WHEREAS, the Lessor has assigned its rights, title and interest under this Lease, subject to certain exceptions, to the Trustee under the Assignment Agreement, dated as of March 1, 2022 (the “Assignment Agreement”), between the Lessor and the Trustee, as security for the Certificates; 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 delivery of this Lease 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 this Lease; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 Definitions and Rules of Construction Unless the context otherwise requires, the capitalized terms used herein but not defined in this Lease shall, for all purposes of this Lease, have the meanings specified in the Trust Agreement, together with any amendments thereof or supplements thereto permitted to be made thereunder; and the additional terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Lease, refer to this Lease as a whole. References to the Lease Payment Fund and the Prepayment Fund shall refer to the Lease Payment Fund and Prepayment Fund established and created under the Trust Agreement.

“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) actinolite.

“Environmental Regulations” shall mean all Laws and Regulations, as defined in Article II, Section 2.1(k)(1) herein, now or hereafter in effect, with respect to Hazardous Materials, as defined in, 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 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.

“Governing Board” when used with reference to the Lessee means the City Council of the Lessee.

“Hazardous Materials” shall have the meaning provided in Article II, Section 2.1(k)(1) hereof.

“Insurance Consultant” means an individual or firm employed by the Lessee as an independent contractor, experienced in the field of risk management.

“Laws and Regulations” shall have the meaning provided in Article II, Section 2.1(k)(1) hereof.

“Lease Payment Date” means _____ and _____ of each year, commencing _____, 2022.

“Leased Property” means the personal and real property, which is the subject of the Site Lease comprising those parcels described in Exhibit B hereto.

“Release” shall have the meaning provided in Article II, Section 2.1(k)(1) hereof.

“Removal” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, as provided in Article III, Section 3.6 hereof.

“Site Lease” means the Site Lease, dated as of March 1, 2022, by and between the Lessor, as lessee thereunder, and the Lessee, as lessor thereunder, and any duly authorized and executed amendments or supplements thereto.

“State” means the State of California.

“Substitution” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, and the lease of substituted real property and Improvements and/or equipment, if any, hereunder and under the Site Lease, as provided in Article III, Section 3.6 hereof.

SECTION 1.2 Exhibits The following Exhibits are attached to, and by this reference incorporated into and made a part of, this Lease: Exhibit A – Schedule of Lease Payments to be made by the Lessee to the Lessor; Exhibit B – Legal Description of Leased Property.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of Lessee The Lessee represents, covenants and warrants to the Lessor as follows:

(a) Due Organization and Existence The Lessee is duly organized and validly operating as a general law city under the Constitution and laws of the State.

(b) Authorization; Enforceability The Constitution and laws of the State authorize the Lessee to enter into this Lease, the Site Lease, and the Trust Agreement (collectively, the “Agreements”) and to enter into the transactions contemplated by and to carry out its obligations under all of the Agreements, and the Lessee has, concurrently with the execution hereof, duly authorized and executed all of the Agreements. The Agreements constitute legal, valid and binding obligations of the Lessee, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Defaults Neither the execution and delivery of the Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a

breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrances whatsoever upon any of the property or assets of the Lessee.

(d) Indemnification of Lessor The Lessee covenants to indemnify and hold harmless the Lessor and its directors and employees, and the Trustee, as assignee and with regard to its own rights (each, an “Indemnified Party”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the transactions contemplated by this Lease, and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Lease.

(e) Execution and Delivery The Lessee has taken all actions required to authorize and execute this Lease in accordance with the Constitution and laws of the State.

(f) Reserved

(g) No Litigation There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, threatened against the Lessee in any way contesting or affecting the validity or enforceability of this Lease or the Site Lease or contesting the powers of the Lessee to execute and deliver this Lease or the Site Lease or to consummate the transactions contemplated hereby or thereby.

(h) Essentiality of the Leased Property The Leased Property is essential to the operations of the Lessee.

(i) Reserved

(j) Compliance with Laws and Regulations

(1) The Lessee has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates 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 Leased Property (collectively, “Laws and Regulations”). Without limiting the generality of the foregoing, neither the Lessee nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Leased Property has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of 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 Lessee, any of the Leased Property or the business operations conducted by the Lessee thereon (collectively, "Hazardous Materials") on, from or beneath its Leased Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Material on, from or beneath the Leased Property, or (iii) stored any material amount of petroleum products at the Leased Property in underground storage tanks.

(2) Excluded from the representations and warranties in subsection (1) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city facility, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(3) No Leased Property located in an area of high potential incidence of radon 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 Leased Property.

(k) Environmental Compliance

(1) The Lessee shall not use or permit the Leased Property 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 Leased Property 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 Release or threat of Release of Hazardous Materials on, from or beneath the Leased Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city facility, 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 Lessee shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Lessor, 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 Leased Property or other property, 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 (4) hereof and only to the extent necessary to maintain the improvements on the Leased Property.

(2) The Lessee shall comply with, and shall use its best efforts to ensure that any tenant's subtenants, licensees, employees, contractors, and agents to comply with, all Environmental Regulations and shall keep the Leased Property free and clear from Hazardous Materials; provided, however, that notwithstanding that a portion of this covenant is limited to the Lessee's use of its best efforts, the Lessee shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Lessee's obligations contained in subsection (3) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath the Leased Property, the Lessee shall give prompt written notice thereof to the Lessor (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(3) Irrespective of whether any representation or warranty contained herein is not true or correct, the Lessee shall defend, indemnify and hold harmless the Trustee and the Certificate Holders, 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, consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Lessor, Trustee shall have delivered to the Lessee), 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 Leased Property, (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 Lessor, the Trustee shall have delivered to the Lessee), or governmental order relating to Hazardous Materials on, from or beneath any of the Leased Property, (iv) any violation of Environmental Regulations or subsection (1) or (2) 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 Lessee is strictly liable under any Environmental Regulation, its obligation to the Trustee, the Certificate Owners and the other indemnities 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 subsection (3) shall survive any foreclosure of the security interest in the Leased Property or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Certificates.

(4) The Lessee 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.

(l) No Condemnation The Lessee hereby covenants and agrees, to the extent it may lawfully do so, that as long as any of the Certificates remain Outstanding and unpaid, the Lessee will not exercise the power of condemnation with respect to the Leased Property. The Lessee further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the Lessee should fail or refuse to abide by such covenant and condemns the Leased Property, the appraised value of the Leased Property shall not be less than the greater of (i) if such Certificates are then subject to prepayment, the Principal Component and the Interest Component of the Certificates Outstanding through the date of their prepayment, or (ii) if such Certificates are not then subject to prepayment, the amount necessary to defease such Certificates to the first available prepayment date in accordance with the Trust Agreement.

SECTION 2.2 Representations, Covenants and Warranties of Lessor The Lessor represents, covenants and warrants to the Lessee as follows:

(a) Due Organization and Existence; Enforceability The Lessor is a nonprofit public benefit corporation duly organized and existing under the laws of the State, and has the power to enter into this Lease, the Assignment Agreement, the Site Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid Agreements. This Lease, the Site Lease, the Assignment Agreement and the Trust Agreement constitute the legal, valid and binding obligations of the Lessor, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Encumbrances The Lessor will not pledge or assign the Lease Payments or other amounts derived from the Leased Property and from its other rights under this Lease except the Lessor may create, assume or suffer to exist Permitted Encumbrances provided under the terms of this Lease, the Assignment Agreement and the Trust Agreement.

(c) No Violations Neither the execution and delivery of this Lease, the Assignment Agreement, the Site Lease or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws creating the Lessor or any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing. Unless otherwise agreed to in writing by the Certificate Holders of the majority in aggregate principal amount of the Certificates then Outstanding, no lien on the Leased Property (except laborers' and mechanics' liens) senior to the lien established hereby shall be permitted.

(d) No Assignment Except as provided herein, in the Assignment Agreement and in the Trust Agreement, the Lessor will not assign this Lease, its right to receive Lease Payments from the Lessee, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section; provided, however, that Lessor shall, with the prior written consent of the Certificate Holders of the majority in aggregate principal amount of the Certificates then Outstanding, have the

absolute right to assign this Lease and its rights and obligations hereunder to any other such person, firm or corporation.

(e) Execution and Delivery The Lessor has duly authorized and executed this Lease and the Site Lease in accordance with the Constitution and laws of the State.

(f) No Litigation There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of its knowledge, threatened against the Lessor in any way contesting or affecting the validity or enforceability of this Lease or the Site Lease or contesting the powers of the Lessor to execute and deliver this Lease or the Site Lease or to consummate the transactions contemplated hereby or thereby.

(g) Cooperation The Lessor shall cooperate fully with the Lessee at the expense of the Lessee in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of this Lease and shall cooperate fully with the Lessee in contesting any lien filed or established against the Leased Property, upon the request and at the expense of the Lessee pursuant to Article V of this Lease.

ARTICLE III

DEPOSIT OF MONEYS; APPLICATION OF PROCEEDS

SECTION 3.1 Deposit of Moneys To induce the Lessee to lease the Leased Property from the Lessor and to assure the Lessee that the moneys needed to finance the purposes for which the Certificates are being executed and delivered will be available for such purpose without delay, the Lessor shall, on the Closing Date, cause moneys to be deposited with the Trustee as follows: (1) an amount equal to that set forth in Article II, Section 2.7(b) of the Trust Agreement shall be deposited into the Project Fund and distributed further as provided in the Trust Agreement, and (2) the balance of the proceeds of sale of the Certificates for the Lessee shall be deposited into the Costs of Delivery Fund, as otherwise particularly set forth in Article II, Section 2.7 of the Trust Agreement. All moneys held under the Trust Agreement shall be invested in accordance with the restrictions set forth in Article VIII, Section 8.2 thereof.

SECTION 3.2 Application of Proceeds The parties hereto agree that the net proceeds of the Certificates shall be used to refund all or a portion of the Lessee's outstanding 2008 Bonds and to pay the costs of executing and delivering the Certificates and incidental and related expenses.

SECTION 3.3 Reserved

SECTION 3.4 Reserved

SECTION 3.5 Leased Property The Leased Property is the subject of the Site Lease and shall be deemed to be and is subleased under this Lease. The Lessee has leased the Leased Property to the Lessor in consideration, in part, for the Lessor's promise to cause the acquisition, delivery, installation, equipping, remodeling or construction of the Leased Property.

SECTION 3.6 Lessee to Act as Agent for the Lessor

(a) Each item to be leased hereunder as a part of the Leased Property is of a category eligible for leasing by the Lessee. The Lessor shall not be accountable for the acts of the Lessee as its agent hereunder and the Lessee hereby assumes total responsibility for the performance of its duties hereunder.

(b) The Lessee, for One Dollar (\$1.00) and other good and valuable consideration in hand received, does hereby accept the appointment as agent of the Lessor for the purposes set forth in this Section.

SECTION 3.7 Reserved

SECTION 3.8 Substitution of Alternate Leased Property and Release of Leased Property

(a) The Lessee shall have the right to substitute alternate property for the Leased Property provided for in Exhibit B hereto, or add additional real property and/or personal property and/or equipment to the Leased Property, but only by providing the Trustee with a duly recorded amendment or supplement to this Lease in accordance herewith. All costs and expenses incurred in connection with any such substitution or addition shall be borne by the Lessee. Notwithstanding any substitution or addition pursuant to this Section, there shall be no reduction in or abatement of the Lease Payments due from the Lessee hereunder as a result of such substitution.

(b) If the Lessee substitutes any alternate real property, or equipment, as applicable, or Improvement for the Leased Property or adds additional components to the Leased Property, written notice of such substitution or addition shall be delivered by the Lessee and to all Rating Agencies, if any, then rating the Certificates, the Certificate Holders and the Trustee. The Lessee shall not substitute alternate real property or equipment, as applicable, or Improvements for the Leased Property or add an additional component to the Leased Property, without first obtaining a certificate of the Lessee (A) stating that the annual fair rental value of the Leased Property after the Substitution or Removal, in each year during the remaining term of this Lease, is at least equal to the maximum annual Lease Payments during the remaining term of the Lease, (B) demonstrating that the useful life of the Leased Property after Substitution or Removal equals or exceeds the remaining term of this Lease, and (C) stating that the Leased Property after a Substitution or Removal is as essential to the operations of the Lessee as was the Leased Property immediately prior to such Substitution or Removal.

(c) In the event of a Substitution or Removal, there shall also be delivered to the Lessor and the Trustee (i) a policy of title insurance in an amount equal to the same proportion of the principal amount as the Principal Components of the Lease Payments attributable to the remaining portion of the real property portion of the Leased Property or the Substituted Leased Property bears to the total Principal Components of Lease Payments, insuring the Lessee's leasehold interest in the Substituted Leased Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making such policy payable to the Trustee for the benefit of the Certificate Holders and relating to this

Lease and evidence that no prior liens exist with respect to such Substituted Leased Property subject only to Permitted Encumbrances, and (ii) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected.

ARTICLE IV

AGREEMENT TO LEASE; TERMINATION OF LEASE; LEASE PAYMENTS; TITLE TO THE LEASED PROPERTY

SECTION 4.1 Lease The Lessor hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Lessor, upon the terms and conditions set forth in this Lease.

SECTION 4.2 Term of Agreement The “Term” of this Lease shall mean the duration of this Lease for the Leased Property, which shall commence on the Closing Date and shall terminate on _____ 1, 20____, unless earlier terminated in accordance with the following paragraph, provided, however that if Lease Payments remain unpaid at the expiration of the Lease Term, or provision shall not have been made for their payment, then this Lease shall not terminate until the earlier of (i) _____ 1, 20____ [***closing date + 10 years***] (ii) the date on which the Certificates have been paid in full or (iii) the expiration of the term of the Lease in the event this Lease shall have been amended pursuant to Article VIII, Section 8.3 hereof, unless such term is sooner terminated as hereinafter provided; and provided further, however, that there shall be terminated with respect to the Leased Property, the entirety of Lessor’s interest which is transferred to the Lessee upon the end of the useful life of the Leased Property in the same manner, as provided in Article IV, Section 4.5(b) with respect to the transfer of the Leased Property at the end of the Term. If by _____ 1, 20____ [***closing date + 10 years***] the Certificates shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then such Term of this Lease shall be extended until ten days after all Certificates shall be fully paid, except that the Term of this Lease shall in no event be extended beyond the maximum period permitted by law. If all Certificates shall be fully paid, the Term of this Lease shall end ten days thereafter or ten days after written notice by the Lessee to the Lessor, whichever is earlier.

The Term of this Lease shall end upon the earliest of any of the following events: (a) a default by the Lessee and the Lessor’s subsequent election to terminate this Lease under Article IX, Section 9.2(b); (b) the payment by the Lessee of all Lease Payments required under Article IV, Section 4.3 hereof and any Additional Payments required under Article IV, Section 4.6 hereof; (c) the deposit of moneys or Defeasance Obligations with the Trustee in amounts sufficient to pay all of the Lease Payments as the same shall become due, as provided by Article X, Section 10.1 hereof; or (d) upon the exercise by the Lessee of its option to purchase the entire interest of the Lessor in the Leased Property as provided in Article IV, Section 4.5(c) hereof and payment of all amounts provided for hereunder.

SECTION 4.3 Lease Payments

(a) Obligation to Pay

(1) Time and Amount Subject to the provisions of Article VI and Article X hereof, the Lessee agrees to pay to the Lessor, its successors and assigns, as rental for the use and possession of the Leased Property, the Lease Payments in the amounts specified in Exhibit A hereto, to be due and payable on each Lease Payment Date, which are intended to be sufficient in both time and amount to pay the Principal Components and Interest Components with respect to the Certificates due on the next Interest Payment Date. Delinquent Lease Payments, if any, shall be made to the Trustee for application in accordance with the Trust Agreement.

Lease Payments shall be paid from any source of legally available funds of the Lessee, and so long as the Leased Property, or a sufficient portion thereof, is available for the use, the Lessee covenants to take such action as may be necessary to include all Lease Payments due hereunder in its budgets and to make the necessary appropriations for all such Lease Payments and Additional Payments. During the Term hereof, the Lessee will furnish to the Trustee upon request, no later than twenty (20) days following the adoption of the budget for its then-current fiscal year, and prior to the beginning of the fiscal year, a certificate of the Authorized Representative to the effect that amounts stated in the Lessee's proposed annual budget for the payment of Lease Payments due under this Lease in the fiscal year covered by such budget and approved by the Governing Board are fully adequate for the payment of all Lease Payments due under this Lease in such fiscal year, in the form of Exhibit D to the Trust Agreement as provided in Article XI, Section 11.2 of the Trust Agreement. The covenants on the part of the Lessee 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 Lessee 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 Lessee to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the Lessee.

(2) Credits Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X, Section 10.2 hereof and other amounts required for payment of the Principal Components and Interest Components with respect to any Certificates not presented for payment) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid and are to be used for such purpose. At such time as the moneys on hand in the Lease Payment Fund are equal to all Lease Payments remaining unpaid hereunder, such moneys shall be applied by the Trustee, pursuant to Article XIV, Section 14.1 of the Trust Agreement, to such Lease Payments on behalf of the Lessee and the Lessee shall not be required to make any further Lease Payments hereunder. A Lease Payment payable on a Lease Payment Date is consideration for the use and possession of the Leased Property to the next succeeding Lease Payment Date.

(3) No Withholding Notwithstanding any dispute between the Lessor and the Lessee, including any dispute as to the failure of any Leased Property Component to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

(b) Terms and Effect of Prepayment and Purchase of the Leased Property

(1) Optional Prepayment The Lessee shall have the option to prepay in whole on any Interest Payment Date the then unpaid Principal Components of its Lease Payments due at the prepayment price set forth in the Trust Agreement, plus accrued interest on such unpaid Principal Component of Lease Payments to the date of prepayment.

(2) In Whole; Exercise of Purchase Option If the Lessee exercises its option to purchase the entire interest of the Lessor in the Leased Property in accordance with Article IV, Section 4.5(c) hereof by prepaying all remaining

(3) Lease Payments either by irrevocably making a security deposit with the Trustee as provided in Article X, Section 10.1 hereof or from Net Insurance and Condemnation Proceeds as provided in Article X, Section 10.2 hereof, the Lessee's obligations under this Lease shall thereupon cease and terminate, including but not limited to the Lessee's obligations to continue to pay Lease Payments under this Section.

(4) In Part If the Lessee prepays less than all of the remaining Principal Components of the Lease Payments pursuant to this Section or from Net Insurance and Condemnation Proceeds pursuant to Article X, Section 10.2 hereof, or pursuant to Article X, Section 10.3 hereof, the amount of such prepayment shall be applied proportionately over the remaining Term to reduce the Principal Components of the Lease Payments. Upon prepayment the Authorized Representative of the Lessee shall prepare (or cause to be prepared) a revised schedule of Lease Payments which schedule shall take into account such prepayment and shall be and become for all purposes thereafter Exhibit A attached hereto.

(5) Notice and Timing of Prepayment Before making any prepayment hereunder, the Lessee shall give written notice to the Lessor and the Trustee describing such event and specifying the date on which the prepayment will be made, which notice shall be given no later than the thirtieth (30th) day prior to the date scheduled for prepayment.

(c) Rate of Overdue Payments If Lessee should fail to make any of the payments required in this Section, the payments in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the net interest rate paid with respect to the Certificates.

(d) Fair Rental Value The Lease Payments shall be paid by the Lessee in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which such payments have been paid. The parties hereto have agreed and determined that such payments represent at least the fair rental value of the Leased Property. In making such determination, consideration has been given to the obligations of the parties under this Lease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the Lessee and the general public.

(e) Assignment The Lessee understands and agrees that, pursuant to the Assignment Agreement, the Lessor has assigned its right to receive and collect Lease Payments, Additional Payments and Prepayments thereof to the Trustee in trust for the benefit of the Certificate Holders, and the Lessee assents to such assignment. The Lessor hereby directs the Lessee, and the Lessee hereby agrees to pay to the Trustee at the Trustee's Principal Office or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Lessee pursuant to this Section, Article IV, Section 4.6 and Article X hereof.

(f) Abatement Lease Payments shall be subject to abatement as provided in Article VI, Section 6.1 hereof.

SECTION 4.4 Quiet Enjoyment During the term of this Lease, the Lessor shall provide the Lessee with quiet use and enjoyment of the Leased Property, and the Lessee shall during such term peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Lessor, or any person or entity claiming under or through the Lessor except as expressly set forth in this Lease. The Lessor shall, at the request and expense of the Lessee, join in any legal action in which the Lessee asserts its right to such possession and enjoyment to the extent the Lessor may lawfully do so. Notwithstanding the foregoing, the Lessor shall have the right to inspect the Leased Property as provided in Article VII, Section 7.3 hereof.

SECTION 4.5 Title to the Leased Property

(a) Lessor Holds Leasehold Interest During Term During the term of this Lease, the Lessor shall hold a leasehold interest in the Leased Property, and each discrete portion thereof, and any and all additions which comprise repairs, replacements or modifications thereto. The Lessee shall take any and all actions, including but not limited to executing and filing any and all documents, reasonably required to maintain and evidence the Lessor's interest in the Leased Property at all times during the Term of this Lease.

(b) Title Transferred to Lessee at End of Term Upon expiration of the Term as set forth in Article IV, Section 4.2 herein, unless such expiration occurs pursuant to a default by the Lessee and the Lessor has elected to terminate this Lease under Article IX, Section 9.2(b) hereof, all right, title and interest of the Lessor in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer, except that with respect to the Leased Property Component constituting real property, the Lessor shall authorize, execute and deliver to the Lessee any documents required to transfer all right, title and interest of the Lessor to such real property to the Lessee.

(c) Option to Purchase The Lessee shall have the option to purchase the entire interest of the Lessor in the Leased Property by irrevocably making a security deposit with the Trustee as provided in Article X, Section 10.1 hereof or from Net Insurance and Condemnation Proceeds as provided in Article X, Section 10.2 hereof, by paying the purchase price therefor in the form of moneys or Defeasance Obligations, or a combination thereof, in an aggregate amount sufficient to provide for the payment of all of the total Lease Payments, as and when due, taking into account investment income to be earned on the deposit of such moneys and investments whereupon all right, title and interest of the Lessor in and to the Leased Property shall vest in the Lessee without the necessity of any additional document of transfer. In any such event, if necessary, the Lessor shall authorize, execute and deliver to the Lessee any documents reasonably requested by the Lessee to terminate this Lease in order to confirm such vesting of title in the Lessee.

SECTION 4.6 Additional Payments As Additional Payments, the Lessee shall also pay such amounts as shall be required for the payment of all administrative costs of the Lessor relating to the Leased Property or the execution, sale and delivery of the Certificates, including, without limitation, the Lessee's obligation to pay all expenses, compensation and indemnification of the Trustee payable by the Lessee under the Trust Agreement (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Certificates), taxes of any sort whatsoever payable by the Lessor as a result of its ownership of the Leased Property or its undertaking of the transactions contemplated herein or, as may be related to this Lease, in the Trust Agreement, fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement or to defend the Lessor. Such Additional Payments shall be billed to the Lessee by the Lessor or by the Trustee on behalf of the Lessor from time to time, together with a statement certifying that the amount billed has been paid by the Lessor or by the Trustee on behalf of the Lessor for one or more of the items above described, or that such amount is then payable by the Lessor or the Trustee, as designated on the bill to the Lessee, within fifteen (15) days after receipt of the bill by the Lessee. Additional Payments due under this Section shall be paid by the Lessee directly to the person or persons to whom such amounts shall be payable.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; OTHER MATTERS

SECTION 5.1 Maintenance, Utilities, Taxes and Assessments Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the Lessee or any sublessee thereof. In exchange for the Lease Payments herein provided, the Lessor agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The Lessor shall have no responsibility for making improvements and additions to the Leased Property other than as set forth herein. The Lessee shall also pay or cause to be paid any and all sales taxes or other taxes, levies, charges, withholdings, assessments and governmental charges of any nature

whatsoever, together with any additions to tax, penalties, fines or interest thereon charged against the Leased Property, as Additional Payments under Article IV, Section 4.6 hereof, including, without limitation, penalties, fines or interest arising out of any delay or failure by the Lessee to pay any of the foregoing or failure to file or furnish to the Lessor or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Lessor or the Leased Property, the rentals and other payments required hereunder or any parts thereof or interests in the Lessee or the Lessor or the Trustee therein by any governmental authority.

SECTION 5.2 Modification of the Leased Property

(a) The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to the Leased Property if such improvements are necessary or beneficial for the use of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the tax status of the Interest Components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value in the aggregate which is not less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) The Lessee will not permit any mechanic's or other lien to be established or to remain against the Leased Property for labor or materials furnished in connection with any additions, modifications, remodeling, construction or improvements made by the Lessee pursuant to this Section, except Permitted Encumbrances; provided, that if any such lien is established and the Lessee shall first notify or cause to be notified the Lessor of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the liens so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Lessor with full security against any loss or forfeiture which might arise from such nonpayment with respect to the Leased Property, in form satisfactory to the Lessor. The Lessor will cooperate fully in any such contest, upon the request and at the expense of the Lessee.

SECTION 5.3 Public Liability and Property Damage Insurance; Workers' Compensation Insurance

(a) Public Liability and Property Damage The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease, a standard comprehensive general public liability and property damage insurance policy or policies in protection of the Lessee, its officers, agents and employees. Such policy or policies shall provide for indemnification of such parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of the Leased Property.

Such policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$150,000

(subject to a deductible clause of not to exceed \$50,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the Lessee, and may be maintained in the form of self-insurance by the Lessee.

The Net Insurance and Condemnation Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid, including, where appropriate, the application of Net Insurance and Condemnation Proceeds with respect to the prepayment of the Lease Payments. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the Lessee.

As an alternative to providing the insurance required by the first paragraph of this Section, the Lessee may provide a self-insurance method or plan of protection which shall afford reasonable protection to the Lessor, its 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 other than the Lessee. Before such method or plan may be provided by the Lessee, there shall be filed with the Trustee a certificate of an actuary, Insurance Consultant or other qualified person to the satisfaction of the Lessor, 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 Lessor, its directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby and Trustee may conclusively rely thereon. There shall also be filed a certificate of the Lessee setting forth the details of such substitute method or plan.

(b) Workers' Compensation The Lessee shall also maintain or require (in the case of vendors or contractors and all subcontractors) throughout the Term of this Lease, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State covering all employees working on the Leased Property, in the same amount and type as other workers' compensation insurance maintained by the Lessee for similar employees doing similar work (and the Lessee shall also require any other person or entity working on the Leased Property to carry the foregoing amount of workers' compensation insurance). Workers' compensation insurance may, to the extent provided by law, be maintained in the form of self-insurance.

SECTION 5.4 Fire and Theft Insurance The Lessee shall maintain or cause to be maintained, throughout the Term of this Lease, insurance against loss or damage to any or all of the Leased Property by fire and lightning, with extended coverage endorsement (which extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and other hazards as are normally covered by such insurance), vandalism and malicious mischief insurance, sprinkler system leakage insurance, boiler insurance, and against loss of any of the Leased Property by theft.

Such insurance shall be in an amount equal to the greater of 100% of the replacement cost of the Leased Property (or, if under separate policies, in an aggregate amount equal to 100% of the replacement cost of the Leased Property) or the outstanding Principal Components of the Certificates, except that such insurance may be subject to deductible clauses of not to exceed \$50,000 for any one loss; *provided, however*, that in no event shall such insurance be maintained in an aggregate amount less than the aggregate Principal Components of Certificates at that time Outstanding. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee and may be maintained in the form of self-insurance by the Lessee. The Net Insurance and Condemnation Proceeds of each policy or coverage shall be applied as provided in Article VI, Section 6.2(a) and (c).

SECTION 5.5 Rental Interruption and Title Insurance

(a) The Lessee shall maintain or cause to be maintained with a reputable commercial insurer throughout the Term of this Lease insurance against loss, total or partial, of the use and occupancy of the Leased Property as a result of any of the hazards covered by Article V, Section 5.4 hereof, in an amount not less than the maximum remaining scheduled Lease Payments for a 24-month period, except that such insurance need be maintained as to the peril of earthquake only if such insurance is available at reasonable cost on the open market from reputable insurance companies. Such insurance shall be subject to a deductible clause not to exceed \$50,000. Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the Lessee but may not be maintained as self-insurance. The Net Insurance and Condemnation Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited toward the payment of the Lease Payments in the order in which such Lease Payments come due and payable. The policy shall cover all components of the Leased Property and the facilities comprising the Leased Property.

(b) The Lessee shall, on or before the Closing Date, obtain a CLTA or an ALTA title insurance policy respecting the ownership and condition of the real property portion of the Leased Property as described in Exhibit B hereto, in an amount equal to the maximum aggregate amount of Principal Components of the Certificates.

SECTION 5.6 General Insurance Provisions

(a) Form of Policies All policies of insurance obtained under the requirements of this Lease and any statements of self-insurance shall be in forms certified by an insurance agent, broker or consultant to the Lessee to comply with the provisions hereof unless waived by the Certificate Holders of the majority in principal amount of Certificates Outstanding. Any insurance policy obtained under the requirements of this Lease shall be issued by a commercial insurer rated at least "A" by S&P, and shall be written or endorsed to list the Trustee, the Lessor and the Lessee as additional named insureds and the Trustee as loss payee, with in all instances the net proceeds, if any, of the insurance policy described in Article V, Section 5.5(a) above to be deposited in the Lease Payment Fund, and each insurance policy provided for herein shall contain a provision to the effect that the insurance company shall not cancel the policy without first giving written notice thereof to the Trustee, the Lessor and the Lessee at least ten (10) days in advance of such intended cancellation; provided that, 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 adjustments, compromise or settlement of any loss agreed to by it.

(b) Payment of Premiums The Lessee shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease, and shall promptly furnish or cause to be furnished to the Trustee a certificate to such effect accompanied by evidence of such payments.

(c) Evidence of Insurance The Lessee will deliver to the Lessor and the Trustee by March 31 of each year, if requested, a certificate to the effect that the requirements of Article V, Sections 5.3, 5.4, 5.5 and 5.6 hereof have been satisfied, together with a certificate or certificates of an Insurance Consultant evidencing such satisfaction. Upon request, the Lessee shall provide a schedule, in such detail as the Lessor or the Trustee may reasonably request, setting forth any insurance policies then in force described in this Lease, listing the names of the insurers which have issued the policies, the policy limits thereof and the hazards and risks covered thereby, or the certificate of an Insurance Consultant providing similar information. The Trustee is entitled to rely on such certificates as to the Lessee's compliance with these provisions and the Trustee has no further duties in that regard.

(d) Self-Insurance Requirements If the Lessee chooses to self-insure for any of the risks described in Article V, Sections 5.3 and 5.4 for which self-insurance is permitted, it must on at least an annual basis in the month of July provide evidence to the Trustee and the Lessor to the effect that (i) the Lessee has segregated amounts meeting such requirements in a special insurance reserve account dedicated to the Leased Property, (ii) a certificate of an Insurance Consultant to the Trustee and the Lessor to the effect that the Lessee's general insurance reserves are adequate to provide the required amount of coverage, and (iii) an actuarial statement attesting to the sufficiency of the program's assets. The Trustee may conclusively rely upon such certificates. The Lessee agrees that in the event the self-insurance program is discontinued, the actuarial soundness of the special insurance reserve account shall be maintained.

SECTION 5.7 Liens Except as provided in this Article (including without limitation Article V, Section 5.2(b)), the Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims, as applicable, on or with respect to the Leased Property, or any portion thereof, other than the respective rights of the Lessor and the Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Lessee shall reimburse the Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.8 Use of the Leased Property The Lessee represents and warrants that it has or will, as of the Closing Date, have an immediate need for, and expects to make immediate use of the Leased Property, which need is not temporary or expected to diminish in the foreseeable future. The Lessee agrees not to give priority in the appropriation of funds for the

construction, acquisition or use of any additional Equipment or facilities, as the case may be, performing functions similar to that performed by the Leased Property.

SECTION 5.9 Reserved

SECTION 5.10 Advances If the Lessee shall fail to perform any of its obligations under this Article, the Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure.

SECTION 5.11 Agreement to Pay Program Expenses The Lessee agrees to pay to the Trustee, as the assignee of the Lessor, all Program Expenses of the Lessor charged to the Lessee and Program Expenses charged to the Lessee by the Trustee as provided in the Trust Agreement.

SECTION 5.12 Books and Records The Lessee will at all times during the Term of this Lease keep proper books of record and account in which full, true and correct entries in conformity with applicable law shall be made of all dealings and transactions in relation to its activities. The Lessee will permit the Lessor, any authorized representatives of the Lessor and the Lessor's successors and assigns at reasonable times and intervals upon prior written notice to examine and make abstracts, subject to proprietary and confidentiality policies and agreements of or binding upon the Lessee, from the Lessee's books and records and to discuss the Lessee's affairs, finances and account with the Lessee's officers and independent accountants. The Lessee will promptly notify the Lessor if at any time the Lessee shall not maintain a positive fund balance in its general fund.

ARTICLE VI

DAMAGE AND DESTRUCTION; USE OF NET INSURANCE
AND CONDEMNATION PROCEEDS

SECTION 6.1 Abatement of Lease Payments in Event of Loss of Use A proportional amount of the Lease Payments shall be abated during any period in which, by reason of condemnation, damage or destruction, there is substantial interference with the use and possession of the Leased Property, or any discrete portion thereof, by the Lessee. The amount of such abatement shall be determined by the Lessee such that the resulting Lease Payments represent fair consideration for the use and possession of the portion of the Leased Property not condemned, damaged or destroyed. Such abatement shall commence on the date of condemnation, damage or destruction and shall end with the substantial completion of the replacement or work of repair. There shall be no abatement in Lease Payments as a result of any design defects other than design defects that result in condemnation, damage or destruction with regard to the Leased Property, it being the intention of the parties hereto that recourse in such event would be made to the Contractor or Vendor. Except as provided herein, in the event of any such condemnation, damage or destruction, this Lease shall continue in full force and effect and the Lessee waives any right to terminate this Lease by virtue of any such condemnation, damage or destruction, including any rights otherwise granted under California Civil Code Sections 1932(2) and 1933(4).

SECTION 6.2 Application of Net Insurance and Condemnation Proceeds

(a) Net Insurance and Condemnation Proceeds shall be deposited in the Net Insurance and Condemnation Proceeds Fund by the Trustee promptly upon receipt thereof and, if the Lessee's Authorized Representative notifies the Lessor and the Trustee in writing of the Lessee's determination, made within forty-five (45) days from the date of destruction or condemnation of the Property, that the replacement or repair of the affected portion of the Leased Property is not economically feasible or in the best interests of the Lessee, then such Net Insurance and Condemnation Proceeds shall be promptly transferred by the Trustee to the Prepayment Fund and applied as provided in Article X, Section 10.2 unless, as provided in Article IV, Section 4.2 of the Trust Agreement, such Net Insurance and Condemnation Proceeds together with funds then on hand in the Lease Payment Fund are insufficient to prepay all of that portion of the Certificates representing interests in the Lease Payments for the Leased Property or relevant portion thereof in which event, such Net Insurance and Condemnation Proceeds will be deposited in a separate account by the Trustee and invested and used in accordance with Article IV, Section 4.2 of the Trust Agreement.

(b) Notwithstanding the foregoing, the Lessee may within forty-five (45) days from the date of destruction or condemnation of the Leased Property determine whether to repair the damaged or condemned Leased Property or affected portion of the Leased Property, only if (i) the Net Insurance and Condemnation Proceeds available for such purpose, together with any other funds supplied by the Lessee for such purpose, are sufficient therefor, and (ii) in the event that damage or destruction results in an abatement of Lease Payments, the Lessee's Authorized Representative certifies and covenants to the Lessor and the Trustee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds will be available to pay in full all Lease Payments coming due during such period as described in Article V, Section 5.5 hereof.

(c) All Net Insurance and Condemnation Proceeds deposited in the Net Insurance and Condemnation Proceeds Fund and not so transferred to the Prepayment Fund as provided in Article VI, Section 6.2(a) shall be applied to the prompt replacement or repair of the affected portion of the Leased Property by the Lessee, upon receipt of a requisition signed by the Lessee's Authorized Representative (a "Requisition") stating with respect to each payment to be made (i) the Requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Insurance and Condemnation Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee may conclusively rely on the Requisition as to the amount of such obligation and on the representations set forth therein. Any balance of the Net Insurance and Condemnation Proceeds remaining after such replacement or repair has been completed shall, after payment of amounts due the Trustee, be paid to the Lessee upon written request of the Lessee.

SECTION 6.3 Laws and Ordinances The Lessee agrees to observe and comply with all rules, regulations and laws applicable to the Lessee with respect to the Leased Property and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the Lessee, and the Lessor shall not be liable therefor. The Lessee agrees further to place, keep, use,

maintain and operate the Leased Property in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS TO THE LEASED PROPERTY

SECTION 7.1 Disclaimer of Warranties THE LESSOR AND ITS ASSIGNS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY OR ANY LEASED PROPERTY COMPONENT. THE LESSEE ACKNOWLEDGES THAT THE LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT COMPRISING THE LEASED PROPERTY OR A DEALER THEREIN, AND THE LESSEE IS LEASING THE LEASED PROPERTY COMPONENTS “AS-IS,” IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE LESSEE. In no event shall the Lessor or its assigns be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease, the Site Lease or the Trust Agreement for the existence, furnishing, functioning or use and possession of the Leased Property. In no event shall the Lessor, the Trustee or its assignees 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 use of any item or products provided for in this Lease.

SECTION 7.2 Lessee’s Right to Enforce Warranties The Lessor hereby irrevocably appoints the Lessee as its agent and attorney-in-fact during the term of this Lease, so long as the Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including without limitation, warranty claims, claims for indemnification and claims for breach of any representations, respecting the Leased Property which the Lessor may have against any vendor or contractor. The Lessee’s sole remedy for the breach of any such warranty, indemnification or representation shall be against the vendor or contractor with respect thereto, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to this Lease, including the right to receive full and timely Lease Payments and all other payments due hereunder. The Lessee shall be entitled to retain any and all amounts recovered as a result of the assertion of any such claims and rights. The Lessor shall, upon the Lessee’s request and at the Lessee’s expense, do all things and take all such actions as the Lessee may request in connection with the assertion of any such claims and rights. The Lessee expressly acknowledges that the Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer or vendor or contractor.

SECTION 7.3 Access to the Leased Property The Lessee agrees that the Lessor, any Lessor Representative and the Lessor’s successors or assigns, shall have the right (but no duty) at all reasonable times to enter upon and to examine and inspect the Leased Property. The Lessee further agrees that the Lessor, any Lessor Representative, and the Lessor’s successors or assigns shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Lessee to perform its

obligations hereunder; provided, however, that the Lessor's assigns shall have no duty to cause such proper maintenance.

SECTION 7.4 Release and Indemnification Covenants To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor, the Trustee and their successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the Lessee, (ii) any breach or default on the part of the Lessee in the performance of any of its obligations under this Lease, (iii) any act or negligence of the Lessee or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, or (iv) any act or negligence of any assignee or sublessee of the Lessee with respect to the Leased Property. No indemnification is made under this Section or elsewhere in this Lease for claims, losses or damages, including legal fees and expenses arising out of the willful misconduct or gross negligence, under this Lease by the Lessor, its officers, agents, employees, successors or assigns. For purposes of this indemnification, Leased Property includes any alternate Leased Property pursuant to the provisions hereof.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

SECTION 8.1 Assignment by the Lessor Certain of the Lessor's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the Lessee under this Lease, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the Lessee hereby consents. Except as provided herein and in the Trust Agreement, the Lessor will not assign this Lease, its right to receive Lease Payments from the Lessee, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in Article II, Section 2.2 hereof.

SECTION 8.2 Assignment and Subleasing by the Lessee This Lease may be assigned by the Lessee with the prior written consent of the Certificate Holders of the majority in aggregate principal amount of Certificates then Outstanding. The Lessee may sublease the Leased Property, with the prior written consent of the Lessor, subject to all of the following conditions:

- (i) this Lease and the obligation of the Lessee to make Lease Payments hereunder shall remain obligations of the Lessee;
- (ii) the Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Lessor and the Trustee a true and complete copy of such sublease;
- (iii) no sublease by the Lessee shall cause the Leased Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the laws of the State;

(iv) no sublease shall cause the Interest Component of the Lease Payments due with respect to the Leased Property to become subject to State personal income taxes, as evidenced by an opinion of Special Counsel; and

(v) if this Lease is assigned by the Lessee, the obligation to make Lease Payments hereunder shall remain the obligation of the Lessee.

SECTION 8.3 Amendment Lessee will not alter, modify or cancel or agree or consent to alter, modify or cancel this Lease except as permitted by Article X of the Trust Agreement and except to permit any substitution or release, pursuant to Article III, Section 3.6 hereof.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1 Events of Default Defined The following shall be “events of default” under this Lease and the terms “events of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the Lessee to pay any Lease Payment required to be paid hereunder by not later than three (3) Business Days before the Payment Date immediately following each corresponding Lease Payment Date.

(ii) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto or in the Trust Agreement, other than as referred to in clause (i) of this Section, for a period of (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Lessor, the Trustee or the Certificate Holders of not less than the majority in principal amount of Certificates then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor or the Trustee acting at the direction of the Certificate Holders of majority in aggregate principal of the Certificates then Outstanding, as the case may be, shall not unreasonably withhold their consent to an extension of up to sixty (60) days if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(iii) The filing of a voluntary petition in bankruptcy by the Lessee, or the failure by the Lessee promptly to institute judicial proceedings to lift any execution, garnishment or attachment of such consequence as will materially impair its ability to carry on its operations, or the filing of a petition by the Lessee under the Federal Bankruptcy Code, or the adjudication of the Lessee as insolvent or as a bankrupt, or any assignment by the Lessee for the benefit of its creditors, or the application for, or consent to, the appointment of any receiver, trustee, custodian or similar officer by the Lessee or the entry by the Lessee into an agreement of composition with its creditors.

The Lessor's failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of Lease Payments by the Lessee or the termination of this Lease by the Lessee.

SECTION 9.2 Remedies on Default

(a) Upon the occurrence and continuance of an event of default specified in Article IX, Section 9.1 above, the Lessor shall, only at the direction of the Certificate Holders of the majority in aggregate principal amount of Certificates then Outstanding, proceed to:

(i) Protect and enforce this Lease by such judicial proceedings as the Lessor or its assignee shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Lease, or in aid of the exercise of any power granted in this Lease, or to enforce any other legal or equitable right vested in the Lessor or its assignee by this Lease or by law;

(ii) Take possession of the Leased Property and exclude the Lessee from using it until the default is cured, holding the Lessee liable for the Lease Payments and other amounts payable by the Lessee prior to such taking of the Leased Property under and pursuant to this Lease and curing of such default; or

(iii) Take whatever actions at law or in equity appear necessary or desirable to enforce its rights as the owner of the Leased Property, including termination of this Lease and the repossession, re-letting (in consultation with Special Counsel) or sale (in consultation with Special Counsel) of the Leased Property.

Any abatement of Lease Payments due to damage or destruction of any Leased Property will not constitute an event of default hereunder.

Notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. After the occurrence of an event of default hereunder, the Lessee will surrender possession of the Leased Property to the Lessor, if requested to do so by the Lessor, the Trustee or the Certificate Holders of not less than a majority of the aggregate principal amount of Certificates then Outstanding in accordance with the provisions of the Trust Agreement.

(b) No Termination: Repossession and Re-Lease on Behalf of Lessee In the event the Lessor, at the direction of the Certificate Holders in aggregate principal amount of Certificates then Outstanding, does not elect to terminate this Lease in the manner hereinafter provided for, the Lessor with the consent of the Lessee, which consent is irrevocably given, may repossess the Leased Property and re-let it for the account of the Lessee, in which event the Lessee's obligation under this Lease will continue to accrue from year to year in accordance with this Lease and the Lessee will continue to receive the value of the use of the Leased Property from year to year in the form of credits against its obligation to pay Lease Payments. The obligations of the Lessee shall remain the same as prior to such default to pay Lease Payments whether the Lessor re-enters or not. The Lessee agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions contained herein and shall reimburse

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the Lessor for any deficiency arising out of the re-letting of the Leased Property, or, in the event the Lessor is unable to re-let the Leased Property, then for the full amount of all Lease Payments to the end of the term of this Lease, but such Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as provided above for the payment of Lease Payments hereunder, notwithstanding such repossession by the Lessor or any suit, brought by the Lessor for the purpose of effecting such repossession of the Leased Property or the exercise of any other remedy by the Lessor.

The Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee to repossess and re-let the Leased Property in the event of default by the Lessee in the performance of any covenants contained herein to be performed by the Lessee and to remove (any removal to be done with reasonable prudence) all personal property connected to or made a part of the Leased Property, to place such Property in storage or other suitable place in the County of Los Angeles, for the account of and at the expense of the Lessee, and the Lessee hereby exempts and agrees to save harmless the Lessor from any costs, loss or damage whatsoever arising or occasioned by any such repossession and re-letting of the Leased Property. The Lessee hereby waives any and all claims for damages caused or which may be caused by the Lessor in repossessing the Leased Property as provided herein and all claims for damages that may result from the destruction of or the injury to the Leased Property and all claims for damage to or loss of any property belonging to the Lessee that may be in or upon the Leased Property.

The Lessee agrees that the terms of this Lease constitute full and sufficient notice of the right of the Lessor to re-let the Leased Property in the event of such repossession without effecting a surrender of this Lease, and further agrees that no acts of the Lessor in effecting such re-letting shall constitute a surrender or termination of this Lease irrespective of the term for which such re-letting is made or the terms and conditions of such re-letting or otherwise, but that, on the contrary, in the event of such default by the Lessee the right to terminate this Lease shall vest in the Lessor to be effected in the sole and exclusive manner provided for in subparagraph (c) below. The Lessee further waives the right to any rental obtained by the Lessor in excess of the Lease Payments and hereby conveys and releases such excess to the Lessor as compensation to the Lessor for its services in re-letting the Leased Property. If the liability of the Lessee under this subsection (b) is held to constitute indebtedness or liability in any year exceeding the income and revenue provided for such year, the Lessor, or the Trustee or the Certificate Holders as assignees of the Lessor, shall not exercise the remedies provided in this subsection (b).

(c) Termination: Repossession and Re-Lease In the event of the termination of this Lease by the Lessor, at the direction of the Certificate Holders in aggregate principal amount of Certificates then Outstanding, and in the manner hereinafter provided on account of default by the Lessee (and notwithstanding any repossession of the Leased Property by the Lessor in any manner whatsoever or the sale or re-letting of the Leased Property), the Lessee nevertheless agrees to pay to the Lessor all costs, losses or damages, but not Lease Payments, howsoever arising or occurring payable at the same time and in the same manner as is provided herein in the case of payment of Lease Payments. Unless waived by the Certificate Holders in aggregate principal amount of Certificates then Outstanding, notwithstanding any other provision herein, following an event of default, the Trustee, acting at the direction of the Certificate Holders in aggregate principal amount of Certificates then Outstanding, shall have the right to re-enter and

re-let the Leased Property and to terminate this Lease. Any proceeds of the re-letting or other disposition of the Leased Property or the sale of the Improvements located on the Leased Property by the Lessor shall, after payment of the fees and expenses of the Trustee, be deposited into the Lease Payment Fund and be applied in accordance with the provisions of Article V, Section 5.5 of the Trust Agreement. Any surplus received by the Lessor from such sale or re-letting shall be the absolute property of the Lessor and the Lessee shall have no right thereto, nor shall the Lessee be entitled to any credit in the event of a surplus in the rentals received by the Lessor for the Leased Property. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any proceeding taken by the Lessor to recover possession of the Leased Property shall by itself operate to terminate this Lease, and no termination of this Lease on account of default by the Lessee shall be or become effective by operation of law, or otherwise, unless and until the Lessor shall have given written notice to the Lessee of the election on the part of the Lessor to terminate this Lease. The Lessee covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Lessor by such written notice. No such termination shall be effected whether by operation of law or acts of the parties hereto, except only in the manner herein expressly provided.

SECTION 9.3 No Remedy Exclusive No remedy conferred herein upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 9.4 Agreement to Pay Attorneys' Fees and Expenses In the event either party to this Lease should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 9.5 No Additional Waiver Implied by One Waiver In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 9.6 Application of the Proceeds from the Sale or Lease of the Leased Property All amounts received by the Lessor under this Article other than as provided in Article IX, Section 9.2(b) herein, after payment of all fees and expenses of the Trustee including but not limited to attorneys' fees and expenses, shall be applied by the Trustee as set forth in Article XIII, Section 13.5 of the Trust Agreement.

SECTION 9.7 Trustee and Certificate Holders to Exercise Rights Such rights and remedies shall be exercised by the Trustee (subject to its rights and protections set forth in the Trust Agreement) and the Certificate Holders as provided in the Trust Agreement.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS AND PURCHASE OF LEASED PROPERTY

SECTION 10.1 Security Deposit Notwithstanding any other provision of this Lease, the Lessee may on any date exercise its option to purchase the entire interest of the Lessor in the Leased Property by an irrevocable deposit by it with the Trustee of (i) an amount of cash which, together with amounts on deposit in the Lease Payment Fund, is sufficient to pay the Lessee's unpaid Lease Payments, in accordance with the Lease Payment schedule set forth in Exhibit A hereto, or (ii) Defeasance Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant (which opinion shall be addressed and delivered to the Trustee), together with interest to accrue thereon, and money then on deposit in the Lease Payment Fund, together with interest thereon, be fully sufficient to pay all of the unpaid Lease Payments on the Lease Payment Dates or by prepayment thereof pursuant to Article X, Section 10.2 hereto, as the Lessee shall instruct at the time of such deposit and be sufficient to discharge the Certificates in accordance with the provisions of the Trust Agreement. In the event of a deposit pursuant to this Section (and provided that the Lessee has paid all Additional Payments due or accrued through the date of such deposit), all obligations of the Lessee under this Lease, and all security provided by this Lease for such obligations, shall cease and terminate, excepting only the obligation of the Lessee to make, or cause to be made, Lease Payments from the deposit made by the Lessee pursuant to this Section, and the entire interest of the Lessor in the Leased Property shall vest in the Lessee on the date of such deposit automatically and without further action by the Lessee or the Lessor (except as provided herein); provided, that vesting of title to the Leased Property in the Lessee shall be subject to the subsequent payment of Lease Payments made from such deposit in accordance with the provisions of this Lease. Such deposit shall be deemed to be and shall constitute a special fund for the payment of the Lease Payments in accordance with the provisions of this Lease. The Lessor shall execute and deliver such further instruments and take such further action as may reasonably be requested by the Lessee for carrying out the title transfer of the Leased Property.

SECTION 10.2 Mandatory Prepayment From Net Insurance and Condemnation Proceeds The Lessee shall be obligated to prepay the Lease Payments in whole or in part from and to the extent of any Net Insurance and Condemnation Proceeds heretofore transferred to the Prepayment Fund pursuant to Article VII, Section 7.1 of the Trust Agreement subject to the requirements of Article VI, Section 6.2(a) hereof and Article VII, Section 7.1 of the Trust Agreement. The Lessee and the Lessor hereby agree that such Net Insurance and Condemnation Proceeds shall be credited towards the Lessee's obligations hereunder. Except in the case of such prepayment of the Lease Payments in whole, such prepayment shall be credited to the Lessee and applied proportionately over the remaining Lease Payments.

SECTION 10.3 Credit for Amounts on Deposit In the event of prepayment of the Principal Components of the Lease Payments in full under Article X, Section 10.1, all amounts then on deposit in the Lease Payment Fund shall be credited toward the amounts then required to be so prepaid.

ARTICLE XI

ADDITIONAL COVENANTS

SECTION 11.1 Compliance with and Enforcement of this Lease The Lessee covenants and agrees with the Certificate Holders to perform all obligations and duties imposed upon the Lessee hereunder. The Lessor covenants and agrees with the Certificate Holders to perform all obligations and duties imposed upon the Lessor under this Lease.

The Lessee 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 or refraining from action, would or might be a ground for cancellation or termination of this Lease by the Lessor hereunder. The Lessor and the Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting its estate in the Leased Property, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee.

SECTION 11.2 Observance of Laws and Regulations The Lessee will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by it, including its right to exist and carry on business as a general law city, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 11.3 Prosecution and Defense of Suits The Lessee shall promptly, and also upon request of the Trustee (it having no obligation to make such request) from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate holder harmless from all loss, cost, damage and expense, including attorneys' fees and expenses, which it may incur by reason of any such defect, cloud, suit, action or proceeding.

SECTION 11.4 Further Assurances The Lessor and the Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Trust Agreement, and for the better assuring and confirming unto the Certificate Holders of the rights and benefits provided herein.

SECTION 11.5 Tax Covenants The Lessee covenants as follows in this Section.

(a) Special Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Certificates. For purposes of this Section, the Lessee acknowledges that the Corporation intends to syndicate the beneficial ownership of the Lease through the issuance of certificates of participation, and agrees that should such syndication occur in connection with the execution and delivery of this Lease it will treat all proceeds of such syndication as sale proceeds of the Lease (within the meaning of said section 1.148-1(b)).

“Investment” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of this Lease are invested and that is not acquired to carry out the governmental purposes of this Lease.

“Rebate Amount” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and with respect to this Lease, has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Lease as Obligation of the Lessee; Not to Cause Interest to Become Taxable The Lessee represents and warrants that it intends that for federal income tax purposes and for California personal income tax purposes this Lease is to be treated as an obligation of the Lessee, that the Interest Component and Principal Component of each Lease Payment is intended to be treated as the corresponding payment of interest on and principal of such obligation, respectively, and that the interest on such obligation is intended to be excluded pursuant to section 103(a) of the Code from the gross income of the Corporation or its assigns. The Lessee covenants that it shall not use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the Interest Component of any Lease Payment to fail to be excluded pursuant to section 103(a) of the Code from the gross income of the Corporation or its assigns for federal income tax purposes. Without limitation of the preceding sentence, unless and until the Lessee receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely

affect the exemption from federal income tax of any Interest Component of the Lease Payments, the Lessee shall comply with each of the specific covenants in this Section. The Lessee agrees to execute and deliver in connection with the issuance of the Lease a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of the Interest Component of the Lease Payments from the gross income of the Corporation or its assigns for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

(c) No Private Use or Private Payments Except as would not cause this Lease to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Lessee shall at all times prior to the last stated Lease Payment Date:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the jurisdiction of any of the Lessee or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan Except as would not cause this Lease to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Lessee shall not use Gross Proceeds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (a) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (b) capacity in or service from such property is committed to such person or entity under a take or pay, output or similar contract or arrangement; or (c) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield Except as would not cause this Lease to become an “arbitrage bond” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the Lessee shall not, at any time prior to the last stated Lease Payment Date, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would exceed the Yield of this Lease within the meaning of said section 148.

(f) Not Federally Guaranteed Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the Lessee shall not take or omit to take any action that would cause this Lease to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report The Lessee shall timely file any information required by section 149(e) of the Code with respect to this Lease with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(1) The Lessee shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the last stated Lease Payment Date. However, to the extent permitted by law, the Lessee may commingle Gross Proceeds with its other moneys, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Lessee shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The Lessee shall retain the results of such calculation, including the basis therefor, in sufficient detail and on a timely basis in order to demonstrate compliance with its covenants herein. The Lessee shall maintain a copy of the calculation with its official transcript of proceedings relating to the execution and delivery of this Lease until six years after the final Computation Date.

(3) In order to assure the excludability of the Interest Components of the Lease Payments from the gross income of the Lessor or its assigns for federal income tax purposes, the Lessee shall pay to the United States or, if the Lessee shall have received notice that the Lessor has assigned the Lease to the Trustee in accordance with the provisions of the Trust Agreement, the Lessee shall pay to the Trustee for deposit into the Rebate Fund established pursuant to the Trust Agreement an amount sufficient to permit the Lessee timely to pay to the United States, the amount that when added to the future value of previous rebate payments made hereunder equals (i) in the case of a Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the Lessee at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder.

(4) The Lessee shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by subparagraphs (2) and (3), and if an

error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under section 1.148-3(h) or other provision of the Tax Regulations.

(i) Not to Divert Arbitrage Profits Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the Lessee shall not, at any time prior to the last stated Lease Payment Date, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield on this Lease not been relevant to either party.

(j) Use of Proceeds: Weighted Average Maturity The Lessee hereby represents and covenants that it will apply the proceeds of the Lease in a manner so that the weighted average maturity of the Lease does not exceed 120% of the average reasonably expected economic life (or remaining economic life) of the facilities financed (or refinanced) by this Lease (all determined in accordance with the provisions of section 147(b) of the Code).

(k) Elections The Lessee hereby directs and authorizes any Lessee Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such Representative (after consultation with Special Counsel) deems necessary or appropriate in connection with this Lease, in the Tax Certificate or similar or other appropriate certificate, form or document.

(l) Closing Certificate. The Lessee agrees to execute and deliver in connection with the issuance of the Certificates a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Certificates from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

The Lessee shall at all times do and perform all acts and things permitted by law and this Lease which are necessary or desirable in order to assure that interest paid on the Certificates (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Lessee agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Certificates.

ARTICLE XII

MISCELLANEOUS

SECTION 12.1 Notices Notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five Business Days after deposit in the United States first-class mail, postage prepaid, to the named party at the following addresses:

If to the Lessee: City of Maywood
4319 E. Slauson Avenue
Maywood, CA 90270
Attention: City Manager
Telephone: () ____ - ____
E-mail: _____

If to the Trustee: U.S. Bank [Trust Company,] National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Global Corporate Trust Services

If to the Lessor: Municipal Finance Corporation
2111 Palomar Airport Road, #320
Carlsbad, CA 92011
Attention: _____

SECTION 12.2 Binding Effect This Lease shall inure to the benefit of and shall be binding upon the Lessor and the Lessee and their respective successors and assigns.

SECTION 12.3 Severability In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

SECTION 12.4 Lessor Not Liable The Lessor and its directors, officers, agents and employees and the Trustee shall not be liable to the Lessee 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 Leased Property or any Leased Property Component.

SECTION 12.5 Net-Net-Net Lease This Lease shall be deemed and construed to be a “net-net-net lease” and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Lessor, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 12.6 Further Assurances and Corrective Instruments The Lessor and the Lessee agree that they will, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intentions of this Lease.

SECTION 12.7 Execution in Counterparts This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.8 Applicable Law This Lease shall be governed by and construed in accordance with the laws of the State, applicable to contracts made and performed in such State.

SECTION 12.9 Third-Party Beneficiaries The Certificate Holders and the Trustee are expressly recognized as third-party beneficiaries under this Lease.

SECTION 12.10 No Merger of Estate This Lease shall not operate as a merger of the Lessee's leasehold estate in the Leased Property and the Lessee's fee estate in the Leased Property shall not cause the leasehold interest granted to the Lessor under the Site Lease to be extinguished.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be executed in their names by their duly Authorized Signatories, as of the date first above written.

MUNICIPAL FINANCE CORPORATION, as
Lessor

By: _____
Treasurer

CITY OF MAYWOOD, as Lessee

By: _____
[City Manager] [Director of Finance]

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

_____ [Seal]

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

[Seal]

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS

Amounts shall be paid on each Lease Payment Date in advance of the respective Payment Dates on the following schedule.

Bond Payment Date	Principal	Interest	Debt Service	Annual Debt Service
----------------------------------	------------------	-----------------	-------------------------	--------------------------------

EXHIBIT B
LEGAL DESCRIPTION OF LEASED PROPERTY

[to come]

For conveyancing purposes only: APN ____ - ____ - ____

TRUST AGREEMENT

by and among

U.S. BANK [TRUST COMPANY,] NATIONAL ASSOCIATION,
as Trustee

MUNICIPAL FINANCE CORPORATION,
as Lessor

and

CITY OF MAYWOOD,
as Lessee

Dated as of March 1, 2022

Relating to

\$(PAR AMOUNT)
City of Maywood Certificates of Participation,
2022 Series A

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of March 1, 2022 (this “Trust Agreement”), by and among U.S. BANK [TRUST COMPANY,] NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), the CITY OF MAYWOOD, a general law city duly organized and existing under and by virtue of the laws of the State of California, as lessee under the Lease described below (the “Lessee”), and MUNICIPAL FINANCE CORPORATION, a corporation duly organized and validly existing under and by virtue of the laws of the State of California, as lessor under the Lease (the “Lessor”);

WITNESSETH:

WHEREAS, the Lessee and the Lessor have entered into the Lease Agreement, dated as of the date hereof (the “Lease”), whereby the Lessor has agreed to refund all or a portion of the Lessee’s outstanding Maywood Public Financing Authority 2008 Lease Revenue Refunding Bonds, Series A (Infrastructure Refinancing Project) (the “2008 Bonds”), and the Lessee has agreed to lease the Leased Property (as defined herein) from the Lessor; and

WHEREAS, the Lessee and the Lessor wish to authorize hereunder the execution and delivery of certain certificates of participation (the “Certificates”), each evidencing and representing an undivided and proportionate interest of the Certificate Holders thereof in certain lease payments (the “Lease Payments”) to be made by the Lessee under the Lease; and

WHEREAS, the net proceeds obtained through the execution, sale and delivery of the Certificates will be deposited with the Trustee under this Trust Agreement and used in part by the Lessor to refund all or a portion of the Lessee’s outstanding 2008 Bonds on behalf of the Lessee; and

WHEREAS, the Lessee will pay Lease Payments and Additional Payments as are payable under the Lease, at least equal to the fair rental value of the Leased Property in amounts sufficient to pay the Principal Components and Interest Components evidenced and represented by all Outstanding Certificates; and

WHEREAS, pursuant to the Assignment Agreement, dated as of even date herewith (the “Assignment Agreement”), by and between the Lessor and the Trustee, the Lessor will assign to the Trustee its rights to receive all Lease Payments and Additional Payments due under the Lease and pursuant to this Trust Agreement, the Lessor will grant a security interest in all moneys held by the Trustee hereunder and the Lessor and the Lessee will grant a security interest in the Leased Property, all to the Trustee for the benefit of the Certificate Holders and as security therefor; and

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing and representing undivided and proportionate interests of the Certificate Holders thereof in the Lease Payments and Prepayments (as defined herein) made by the Lessee under the Lease, which will provide the moneys required to be deposited hereunder;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions and Rules of Construction Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings specified herein or in the Lease. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms used in this Trust Agreement refer to this Trust Agreement as a whole.

“Additional Payments” means those payments due as provided in Article IV, Section 4.6 of the Lease.

“Approved Buyer” means a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the Closing Date.

“Assignment Agreement” means the Assignment Agreement, dated as of the date hereof, by and between the Trustee and the Lessor, and any duly authorized and executed amendments or supplements thereto.

“Authorized Denominations” means denominations of \$100,000 and whole dollar multiples in excess thereof.

“Authorized Signatory” or “Authorized Representative” means: (i) in the case of the Lessor, any person authorized by resolution of the Board of Directors of the Lessor to perform such act or to execute such documents; (ii) in the case of the Lessee, the Mayor (or in his absence, the Mayor Pro Tem), the City Manager, or Director of Finance, or any other person authorized in writing by the Governing Board of the Lessee to act on behalf of the Lessee with respect to this Trust Agreement, the Lease and any related documents; and (iii) in the case of the Trustee, any person authorized to perform any act or sign any document by or pursuant to the by-laws or any resolution of the governing body of the Trustee.

“Business Day” means any day (other than a Saturday, Sunday or holiday) on which banks in Los Angeles, California or New York, New York are not authorized or obligated by law or executive order to remain closed.

“Certificate Holders” when used with respect to a Certificate, means such persons in whose name such Certificate is registered on the registration books of the Trustee.

“Certificate Year” means the annual period commencing on _____ 2 of a calendar year and ending on _____ 1 of the following calendar year, in any year during which the Certificates are or will be Outstanding; provided, however, that the initial Certificate Year shall

begin on the Closing Date and end on _____ 1 of the following calendar year and the final Certificate Year shall end on the date on which the last Certificate is paid or prepaid.

“Certificates” means the \$[PAR AMOUNT] City of Maywood Certificates of Participation, 2022 Series A executed and delivered pursuant to this Trust Agreement.

“Closing Date” means March [17], 2020.

“Corporation” means the Municipal Finance Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

“Costs of Delivery” means all items of expense directly or indirectly payable by or reimbursable to the Lessee or the Lessor relating to the delivery of the Certificates, including but not limited to filing and recording and related costs relating to the sale of the Certificates, settlement costs, printing costs, reproduction and binding costs, financing discounts, initial fees and charges of the Trustee (as Trustee hereunder), legal fees and charges, financing and other professional consultant fees, fees for credit ratings, fees for the Trustee’s execution, transportation and safekeeping of Certificates, and other charges and fees in connection with the foregoing.

“Costs of Delivery Fund” means the Costs of Delivery Fund established pursuant Article III, Section 3.2 hereof.

“County” means the County of Los Angeles, California.

“Defeasance Obligations” means: (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) securities eligible for “AAA” defeasance under then-existing criteria of S&P or any combination thereof.

“Depository Trust Company” or “DTC” means The Depository Trust Company as initial securities depository for the Certificates.

“Event of Default” means an event of default set forth in Article XIII, Section 13.2 hereof.

“Fiscal Year” means the District’s fiscal year beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

“Governing Board” means the City Council of the City of Maywood.

“Improvements” means any public improvements on real property owned by the Lessee and leased to the Lessor pursuant to the Site Lease.

“Independent Counsel” means an attorney duly admitted to practice law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Lessor or the Lessee.

“Information Services” means, in accordance with the then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System and/or one or more services selected by the Lessor which are then providing information with respect to the Certificates.

“Interest Component” means the portion of the Lease Payments designated as interest on Exhibit B hereto.

“Interest Payment Date” means _____ 1 and _____ 1 of each year, commencing _____ 1, 2022.

“Lease” means the Lease Agreement, dated as of the date hereof, by and between the Lessee and the Lessor, and any duly authorized and executed amendments or supplements thereto.

“Lease Payment” means any payment required to be paid by the Lessee to the Lessor pursuant to Article I, Section 1.1 of the Lease.

“Lease Payment Date” has the meaning set forth in Article I, Section 1.1 of the Lease.

“Lease Payment Fund” means the fund so designated which is established pursuant to Article V, Section 5.3 hereof.

“Leased Property” means, collectively, all of the Leased Property and Leased Property Components of the real and/or personal property, consisting of the site and the capital improvements described in Exhibit B to the Lease.

“Leased Property Component” means any identifiable portion or singular parcel comprising the real and/or personal property described in Exhibit B to the Lease.

“Lessee” means the City of Maywood, a general law city duly organized and existing under and by virtue of the laws of the State of California, as lessee under the Lease.

“Lessee Prepayment” means any payment made by the Lessee pursuant to Article X of the Lease as a prepayment of its Lease Payments.

“Lessor” means the Corporation and its successors and assigns.

“Lessor Representative” means the President or Treasurer of the Lessor, or any other person authorized by the Board of Directors of the Lessor to act on behalf of the Lessor under or with respect to the Lease, as evidenced by a certificate of the Lessor.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“Net Insurance and Condemnation Proceeds” means any net proceeds of insurance or condemnation proceeds paid with respect to the affected portion of any Leased Property remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Net Insurance and Condemnation Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to Article XIII, Section 7.1 hereof.

“Original Purchaser” means First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank.

“Outstanding” when used as of any particular time with respect to Certificates, means (subject to the provisions of Article X, Section 10.2 and Article XIV, Section 14.1) all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except:

(a) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or prepayment of which funds or Defeasance Obligations in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates) in accordance with Article XIV, Section 14.1 hereof; provided, that if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided herein or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Certificates in lieu of or in exchange for which other Certificates shall have been delivered by the Trustee pursuant to Article II, Sections 2.8 and 2.9 hereof.

“Payment Date” means each Interest Payment Date and Principal Payment Date.

“Permitted Encumbrances” means, with respect to the Leased Property, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to the provisions of Article V of the Lease, permit to remain unpaid; (ii) this Trust Agreement; (iii) the Site Lease; (iv) the Assignment Agreement; (v) the Lease; (vi) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; and (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which the Lessee certifies in writing will not impair the use of the Leased Property or to which the Corporation consents in writing.

“Permitted Investments” means any of the following, except to the extent not permitted by the laws of the State as an investment for the moneys to be invested therein at the time of investment:

(1) “Federal Securities” means:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(b) Obligations of, or obligations fully and unconditionally guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including:

- U.S. Treasury obligations
- All Direct or Fully Guaranteed Obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association
- State and Local Government Series;

(2) Bonds, debentures, notes, participation certificates or other evidences of indebtedness issued, or the principal of and interest on which are unconditionally guaranteed, by the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Government National Mortgage Association or any other agency or instrumentality of or corporation wholly owned by the United States of America when such obligations are backed by the full faith and credit of the United States for the full and timely payment of principal and interest;

(3) Obligations of any state of the United States or any political subdivision thereof, which at the time of investment are rated “Aa3” or higher by Moody’s and “AA-” or higher by S&P; or which are rated by Moody’s “VMIG 1” or better and by S&P “A-1+” or better with respect to commercial paper, or “VMIG 1” and “SP-1”, respectively, with respect to municipal notes;

(4) Bank time deposits evidenced by certificates of deposit, including those placed by a third party pursuant to an agreement between the Lessee and the Trustee, deposit accounts, including time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, interest bearing money market accounts and bankers’ acceptances (having maturities of not more than 30 days), issued by any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including the Trustee or any of its affiliates); provided that (a) such bank, trust company or national banking association be rated “Aa3” or better by Moody’s and “AA-” or better by S&P; and (b) the aggregate of such bank time deposits and bankers’ acceptances issued by any bank, trust company or banking association does not exceed at any one time 10% of the aggregate of the capital stock, surplus and undivided profits of such bank, trust company or banking association and that such capital stock, surplus and undivided profits shall not be less than \$15,000,000;

(5) Repurchase or reverse repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation (including the Trustee or any of its affiliates), with subsidiaries (of a parent

company), provided the obligations of the subsidiary under the agreement are unconditionally guaranteed by the parent, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected first priority security interest in obligations described in paragraph (1) or (2) of this definition, provided that either such bank, trust company or national banking association which (or senior debt or claims paying ability of the financial entity's guarantor) is rated, at the time of investment, "Aa" or better by Moody's and "AA" or better by S&P;

(6) Repurchase or reverse repurchase agreements with maturities of not more than one year entered into with financial institutions such as banks or trust companies organized under state law or national banks or banking associations (including the Trustee or any of its affiliates), insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Securities Investor Protection Corporation or with a dealer or parent holding company that is rated, at the time of investment, or whose long-term debt obligations (or senior debt or claims paying ability of the financial entity's guarantor) are rated, at the time of investment, "Aa (stable)" or better by Moody's and "AA (stable)" or better by S&P, provided such repurchase agreements are in writing, secured by obligations described in paragraphs (1) and (2) of this definition having a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements and in which the Trustee has a perfected first lien in, and retains possession of, such obligations free from all third party claims;

(7) Investment agreements, forward purchase agreements and reserve fund put agreements with any corporation, including banking or financial institutions, or agreements entered into with subsidiaries (of a parent company), provided the obligations of the subsidiary under the agreement are unconditionally guaranteed by the parent, the corporate debt of which (or senior debt or claims paying ability of the financial entity's guarantor) is rated, at the time of investment, "Aa" or better by Moody's and "AA" or better by S&P;

(8) Guaranteed investment contracts or similar funding agreements issued by insurance companies, provided that either the long term corporate debt of such insurance company, at the time of investment, is rated, at the time of investment, "Aa3" or better by Moody's and "AA-" or better by S&P or which agreements are fully and continuously secured by a valid and perfected first priority security interest in obligations described in paragraph (1) or (2) of this definition, or that the following conditions are met: (a) the market value of the collateral is maintained at levels acceptable to Moody's and S&P, (b) the Trustee or a third party acting solely as agent for the Trustee has possession of the collateral, (c) the Trustee has a perfected first priority security interest in the collateral, (d) the collateral is free and clear of third-party liens, and (e) failure to maintain the requisite collateral level will require the Trustee to liquidate collateral;

(9) Corporate commercial paper rated at the time of purchase "P-1" or better by Moody's and "A-1+" or better by S&P at the time of investment;

(10) Money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; and

(11) Deposits with the Local Agency Investment Fund of the State as permitted by law.

"Prepayment" means any payment made by the Lessee pursuant to Article IV, Section 4.3 or Article X of the Lease as a prepayment of the Lease Payments.

"Prepayment Fund" means the fund by that name established and held by the Trustee pursuant to Article IV, Section 4.1 hereof.

"Principal Component" means the portion of the Lease Payments designated as principal represented by the Certificates.

"Principal Corporate Trust Office" means the corporate trust office of the Trustee in Los Angeles, California, or such other place designated by the Trustee except that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency and operations business shall be conducted.

"Principal Payment Date" means _____ 1 of each year, commencing _____ 1, 2022.

"Program Expenses" means all administrative costs of the Lessor relating to the Leased Property or the execution, sale and delivery of the Certificates, including, without limitation, taxes of any sort whatsoever payable by the Lessor as a result of its ownership of the Leased Property or its undertaking of the transactions contemplated herein or in the Lease, Costs of Delivery, fees of auditors, accountants, attorneys or engineers, insurance premiums, credit enhancement fees, and all other necessary administrative costs of the Lessor or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of this Trust Agreement or to defend the Lessor.

"Rating Agencies" means Moody's and/or S&P.

"Record Date" means the fifteenth day of the calendar month preceding any Interest Payment Date, whether or not such fifteenth day is a Business Day, provided with respect to the payment of defaulted interest, a special record date shall be established in accordance with the provisions of this Trust Agreement.

“Removal” means the release of all or a portion of the Leased Property from the leasehold of the Lease and the Site Lease as provided in Article III, Section 3.8 of the Lease.

“Requisition” means the requisition relating to the payment of costs of issuance filed with the Trustee substantially in the form attached hereto as Exhibit D.

“Responsible Officer” means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Principal Corporate Trust Office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Principal Corporate Trust Office because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a limited liability company duly organized and existing under and by virtue of the laws of the State of New York, its successors and assigns.

“Site Lease” means the Site Lease dated as of March 1, 2022 by and between the Corporation, as lessee thereunder, and the City of Maywood, as lessor thereunder, and any duly authorized and executed amendments or supplements thereto.

“Special Counsel” means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the tax status of interest on obligations issued by states and their political subdivisions.

“State” means the State of California.

“Substitution” means the release of all or a portion of the Leased Property from the leasehold of the Lease and Site Lease, and the lease of substituted real property and Improvements and/or equipment, if any, thereunder and under the Site Lease as provided in Article III, Section 3.8 of the Lease.

“Supplemental Trust Agreement” means any trust agreement hereafter duly authorized and entered into among the Lessor, the Lessee and the Trustee, supplementing, modifying or amending this Trust Agreement in accordance with the terms hereunder.

“Tax Certificate” means the Tax Certificate delivered by the Lessee on the Closing Date.

“Term” means the time during which the Lease is in effect, as provided in Article IV, Section 4.2 of the Lease.

“Trustee” means U.S. Bank [Trust Company,] National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, and its successors or assigns, if any, as Trustee.

“Trust Agreement” means this Trust Agreement, together with any amendments hereof or supplements hereto permitted to be made hereunder.

“Written Order” means an instrument in writing signed by the Mayor, the City Manager, the Assistant City Manager or the Finance Director of the Lessee, or their respective designees, or by any other officer of the Lessee duly authorized by the Lessee to act on behalf of the Lessee for that purpose.

SECTION 1.2. Due Authorization Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

SECTION 2.1. Authorization The Trustee is hereby authorized and directed to execute and deliver to the Original Purchaser the Certificates in an aggregate principal amount of \$[PAR AMOUNT] in Authorized Denominations. In no event shall the Certificates be deemed a debt, obligation or liability of the Trustee. The Certificates evidence and represent proportionate and undivided ownership interests of the Certificate Holders in the Lease Payments and the Prepayments to be made by the Lessee under the Lease. The total Principal Components and Interest Components due on all Certificates shall not exceed the total Lease Payments due under the Lease.

SECTION 2.2. The Certificates

(a) Date Each Certificate shall be dated the date of delivery and shall represent interest payable from the Interest Payment Date to which interest has been paid or duly provided for immediately preceding the date of execution, unless (i) it is executed as of an Interest Payment Date, in which event the Interest Component shall be payable from the date of execution thereof; (ii) it is executed after a Record Date and before the following Interest Payment Date, in which event the Interest Component shall be payable from such following Interest Payment Date; or (iii) it is executed on or before a Record Date, in which event the Interest Component shall be payable from the date of delivery of the Certificates, provided, however, that if, as of the original date of execution of any Certificate, the Interest Component has not been paid when due for any Outstanding Certificates, such Interest Component for such Certificate shall be payable from the Payment Date to which the Interest Component has previously been paid or made available for payment with respect to the Outstanding Certificates.

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(b) Payment of the Principal Components and the Interest Components of the Certificates The Certificates shall mature on _____ 1, 20__ and shall bear interest at the rate

of ____% per annum. The following table sets for the annual Principal Components and Interest Components with respect to the Certificates.

Maturity Date (____ 1)	Principal Components	Interest Components
20__	\$	\$

SECTION 2.3. Payment The principal and premium, if any, payable with respect to the Certificates shall be payable in lawful money of the United States of America by wire transfer or check, payable in any coin or currency of the United States of America which, at the dates of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid by the Trustee on the Interest Payment Date with regard to such Certificate to the Certificate holder thereof at the close of business on the Record Date with respect to such interest payment and shall be paid by wire transfer or check mailed on the applicable Interest Payment Date by first class mail to such Certificate holder at his or her address as it appears on the Certificate Registration books or, upon the written request of an Certificate holder of at least \$1,000,000 in principal amount of Certificates received at least fifteen (15) days prior to a Record Date, by wire transfer in immediately available funds to an account in the United States of America designated in writing by such Certificate holder, irrespective of the cancellation of such Certificate upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, unless the Lessee shall default in the payment of Lease Payments due with respect to such Interest Payment Date. Payment of principal and premium, if any, due on any Certificate shall be paid only upon surrender of such Certificate at the Principal Corporate Trust Office of the Trustee, provided that, for so long as the Certificates shall be held by the Original Purchaser and any subsequent Registered Holder as a single Certificate, presentation and surrender of such Certificate shall not be required. In the event of any default in the payment of interest, such defaulted interest shall be payable to the Certificate holder of such Certificate on a special record date for the payment of such defaulted interest, which date shall be established by the Trustee by notice mailed to the Certificate Holders of Certificates not less than fifteen (15) days preceding such special record date.

SECTION 2.4. Registration; Interest The Certificates shall be delivered in the form of fully registered Certificates without coupons, in Authorized Denominations. The Certificates shall be numbered as determined by the Trustee. The Certificates shall be initially issued in the form of a separate single fully registered Certificate in the name of the Original Purchaser and shall thereafter be assigned to and registered in the name of such other Approved Buyer or in the name of “Cede & Co.,” as nominee of The Depository Trust Company. Upon the election of the Registered Holder, the Certificates shall be evidenced by one Certificate for each Principal Payment Date in the total aggregate principal amount of the Certificates maturing on such Principal Payment Date. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except as set forth in Article II, Section 2.7 hereof. There shall be no execution or registration of transfer of Certificates during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment.

If the Certificates are registered in the name of “Cede & Co.,” as nominee of DTC, if the Lessor determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the DTC participants, beneficial owners of the Certificates, or the Lessee, the Lessor shall notify the Trustee, whereupon the Trustee shall notify DTC of the availability through DTC of certificated securities for the Certificates. In such event, the Trustee shall execute and deliver and shall register Certificates in Authorized Denominations as requested by DTC.

The Interest Component with respect to any Certificate shall be payable on each Interest Payment Date to the date of maturity or prepayment of such Certificate, whichever is earlier. Said Interest Component shall represent the portion of Lease Payments designated as interest and coming due during the six-month period immediately preceding each Interest Payment Date computed on the basis of a 360-day year, comprised of 12 months of 30 days each. The proportion of the Lease Payments designated as the Interest Component shall be determined by the rate of interest applicable to the Certificates.

SECTION 2.5. Form of Certificates The Certificates and the form of assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein.

SECTION 2.6. Execution The Certificates shall be executed by and in the name of the Trustee by the manual signature of any authorized signatory of the Trustee. The Trustee shall insert the date of execution of each Certificate in the place provided thereon.

SECTION 2.7. Application of Proceeds The proceeds received by the Trustee from the sale of the Certificates in the amount of \$[PAR AMOUNT].00 shall be deposited and transferred by the Trustee as follows (the Trustee authorized to establish a temporary fund or account to facilitate and record such deposit and transfers):

- (a) \$ _____ into the Costs of Delivery Fund; and
- (b) \$ _____ to [Escrow Fund] for the 2008 Bonds pursuant to separate wire instructions provided to the Trustee by the City, upon which the Trustee may conclusively rely.

SECTION 2.8. Transfer and Exchange of Certificates

(a) Transfer of Certificates Any Certificate may, in accordance with its terms, and subject to Article II, Section 2.8(a), be transferred upon the books required to be kept pursuant to the provisions of Article II, Section 2.11 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation at the Principal Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed; provided, however, that the Trustee shall not effect the transfer of any Certificate during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Lessee. The Trustee shall require the payment by the Certificate holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Certificate holder for any such transfer. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity and interest rate, and for a like aggregate principal amount of Authorized Denominations.

Notwithstanding any other provision hereof, the Certificates may not be registered in the name of, or transferred to, any person except an Approved Buyer who has executed and delivered a Purchaser Letter in the form set forth in Exhibit C hereto to the Trustee and the Lessor; provided, however, that pursuant to Section 2.10 hereof, Certificates registered in the name of the Securities Depository or the nominee of DTC shall be deemed to comply with this Section 2.8 so long as each beneficial owner of the Certificates is an Approved Buyer.

(b) Exchange of Certificates Certificates may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Certificates of other Authorized Denominations of the same maturity and interest rate; provided, however, that there shall be no exchange of Certificates during the period established by the Trustee for selection of Certificates for prepayment or of any Certificate selected for prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice for prepayment thereof. The Trustee shall require the payment by the Certificate holder requesting such transfer or exchange of any tax or other governmental charge required to be paid on such exchange. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Lessee. All Certificates surrendered pursuant to the provisions of this Section shall be canceled by the Trustee and shall not be redelivered. The Trustee shall not be required to transfer or exchange Certificates during the period in which the Trustee is selecting Certificates for prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice for prepayment thereof.

SECTION 2.9. Mutilated, Lost, Destroyed or Stolen Certificates If any Certificate shall become mutilated, the Trustee shall execute and deliver a new Certificate of like tenor and maturity in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the

Trustee shall be canceled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee shall execute and deliver a new Certificate of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee from the Certificate holder of such lost, stolen or destroyed Certificates for each new Certificate delivered under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate in exchange for a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, or which has been called for prepayment, the Trustee may make payment with respect to such Certificate upon receipt of indemnity satisfactory to the Trustee.

SECTION 2.10. Use of Depository Trust Company Notwithstanding any provision of this Trust Agreement to the contrary:

(a) The Certificates shall be initially delivered and registered as provided in Article II, Section 2.4. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except to an Approved Buyer as set forth in Section 2.8(a) hereof or, in the event the Certificates are registered in the name of DTC:

(i) To any successor of the DTC or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) (“substitute depository”); provided, that any successor of DTC or a substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository designated by the Lessor and not objected to by the Trustee, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) or (2) a determination by the Lessor that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as the Lessee’s security depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the Trustee can be obtained or (2) a determination by the Lessor that it is in the best interests of the Lessee to remove DTC or its successor (or any substitute depository or its successor) from its functions as securities depository hereunder.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Trustee, together with a request from the Lessor to the Trustee, a single new Certificate shall be executed and delivered in the aggregate principal amount of the Certificates then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such request from the Lessor. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Certificates by the Trustee, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested by DTC or its successors, subject to the limitations of Article II, Section 2.4 hereof, provided that the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a request.

(c) In the case of partial prepayment or an advance refunding of the Certificates evidencing all or a portion of the principal amount thereof Outstanding, DTC shall make an appropriate notation on the Certificates indicating the date and amounts of such reduction in principal. The Trustee shall not be liable for any error or omission by DTC in making such notation and the records of the Trustee as to the Outstanding principal amount of the Certificates shall be controlling.

(d) The Lessee, the Lessor and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the Certificate holder thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Lessee; the Lessee, the Lessor and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial Owners of the Certificates. The Lessee, the Lessor and the Trustee will have no responsibility or obligations, legal or otherwise, to the beneficial owner or to any other party including DTC or its successors, except for the Certificate holder.

(e) So long as the Outstanding Certificates are registered in the name of Depository Trust Company or a successor depository, the Lessee, the Lessor and the Trustee shall cooperate with Depository Trust Company or such successor depository, as sole registered owner, in effecting payment of the principal of and prepayment premium, if any, and interest with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) If the Lessor determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the DTC participants, Certificate holder, or the Lessee, the Lessor shall notify the Trustee, whereupon the Trustee shall notify DTC of the availability through DTC of certificated securities for the Certificates. In such event, the Trustee shall execute and deliver and shall register Certificates in Authorized Denominations as requested by DTC.

SECTION 2.11. Certificate Register The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient books for the registration and transfer of the Certificates which shall at all times be open to inspection by the Lessee and the Lessor during regular business hours with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause

to be registered or transferred on said books, Certificates as hereinbefore provided. The Lessee, the Lessor and the Trustee shall be entitled to treat the registered Certificate holder as the absolute owner thereof for all purposes, whether or not a Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

SECTION 2.12. Amount of the Lessee's Payment The payment of principal and interest represented by the Certificates is comprised of the undivided interests of the Certificate holder in Lease Payments to be made by the Lessee in the aggregate amount set forth in Exhibit B hereto.

SECTION 2.13. Payment of Program Expenses The Lessee agrees to pay to the Trustee, as the assignee of the Lessor, Program Expenses charged by the Trustee or the Lessor.

ARTICLE III

COSTS OF DELIVERY FUND

SECTION 3.1. Reserved

SECTION 3.2. Establishment of Costs of Delivery Fund The Trustee shall establish a special fund designated as the "City of Maywood Certificates of Participation, 2022 Series A Costs of Delivery Fund" (the "Costs of Delivery Fund"), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as herein provided. The Costs of Delivery Fund shall be held and applied by the Trustee in accordance herewith. The Costs of Delivery Fund shall be closed 180 days after the Closing Date, and any moneys then remaining in the Costs of Delivery Fund, including any interest earnings thereon, shall be transferred to the Lease Payment Fund.

SECTION 3.3. Purpose Amounts on deposit in the Costs of Delivery Fund shall be applied to pay Costs of Delivery, as provided herein.

SECTION 3.4. Payment of Costs of Delivery The Trustee shall disburse moneys on deposit in the Costs of Delivery Fund upon receipt of a Requisition in form attached hereto as Exhibit D signed by the Lessee's Authorized Signatory, or his or her duly designated deputy setting forth the amounts to be disbursed for payment or reimbursement of Costs of Delivery and the person or persons to whom such amounts are to be disbursed, and stating that the amounts to be disbursed are for Costs of Delivery properly chargeable to the Costs of Delivery Fund. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

SECTION 4.1. Establishment of Prepayment Fund

(a) The Trustee shall establish when deposits are required to be made therein a special fund designated as the "City of Maywood Certificates of Participation, 2022 Series A

Prepayment Fund” (the “Prepayment Fund”), shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as herein provided. The Trustee need not open such fund on its records until such time as deposits are required to be made therein. Prior to any prepayment of the Certificates, an amount at least equal to the amount necessary to prepay the Certificates shall be deposited by the Lessee into the Prepayment Fund. As provided in Article V, Section 5.5, prepayments of the Certificates shall be made from money available therefor. Any prepayments of the Certificates in advance of their maturity shall be made on the date designated for prepayment and upon presentation and surrender of such Certificates.

(b) Upon the Trustee’s receipt of each Prepayment of Lease Payments from the Lessee under Article X, Section 10.2 or 10.3 of the Lease, the Trustee shall give prompt notice to the Lessee of such receipt and the amount of said Prepayment. All amounts representing Prepayments hereunder shall be deposited into the Prepayment Fund.

SECTION 4.2. Prepayment from Net Insurance and Condemnation Proceeds

(a) Upon the receipt of Net Insurance and Condemnation Proceeds from the Lessee, the Trustee shall promptly deposit such moneys into the Net Insurance and Condemnation Proceeds Fund and shall promptly provide notice thereof to the Lessee; the Lessee shall then deliver a Written Order to the Trustee, directing the Trustee to retain the Net Insurance Proceeds in the Net Insurance and Condemnation Proceeds Fund to be used to replace or repair the Leased Property, or to deposit such Net Insurance and Condemnation Proceeds into either (i) the Prepayment Fund or (ii) the Lease Payment Fund as a credit against the Lease Payments, as may be required by the Lease.

(b) The Certificates are subject to prepayment on any Payment Date, in whole or in part, from Net Insurance and Condemnation Proceeds deposited in the Prepayment Fund at least 45 days prior to a Payment Date and credited towards the Prepayment made by the Lessee pursuant to Article X, Section 10.2 of the Lease, at a prepayment price equal to the principal amount thereof, together with interest accrued to the date fixed for prepayment, without premium. In the event of a prepayment of Certificates from Net Insurance and Condemnation Proceeds when fewer than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment from the Outstanding Certificates, proportionately by maturity in Authorized Denominations. The Trustee shall promptly notify the Lessee and the Lessor in writing of the Certificates so selected for prepayment.

(c) If Net Insurance Proceeds are sufficient, together with other moneys as may be provided by the Lessee, to prepay the Lease Payments in full, payments from Net Insurance Proceeds may be applied to the prepayment of Certificates.

(d) Whenever Net Insurance and Condemnation Proceeds are set aside for prepayment of Certificates under this Section, such Net Insurance and Condemnation Proceeds shall, promptly upon receipt and upon the Trustee’s receipt of written instructions, be invested by the Trustee at the written direction of the Lessee in Permitted Investments maturing in time and amount sufficient to provide payment in full of the principal and interest with respect to the

Certificates selected for prepayment. The Lessee shall provide the Trustee with revised mandatory prepayment schedules.

(e) If the Lessee elects to repair or replace the Leased Property with Net Insurance and Condemnation Proceeds and does not receive sufficient Net Insurance and Condemnation Proceeds for that purpose, the Lessee shall use its best efforts to provide sufficient funds, if necessary, in excess of such Net Insurance and Condemnation Proceeds to repair or replace the Leased Property and to make Lease Payments pursuant to the Lease.

(f) If the Lessee shall have delivered a Written Order directing the Trustee to retain the Net Insurance Proceeds in the Net Insurance and Condemnation Proceeds Fund, the Trustee shall apply such moneys in accordance with Article VII, Section 7.1(b).

(g) The Lessee shall be permitted to request the replacement or repair of the Leased Property only if (i) the Net Insurance Proceeds available for such purpose, together with any other funds supplied by the Lessee for such purpose, are sufficient therefor, (ii) if damage or destruction results in an abatement of Lease Payments, the Lessee Representative certifies and covenants to the Trustee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds will be available to pay in full all Lease Payments coming due during such period as described in Article V, Section 5.5 of the Lease, (iii) the Certificate Holders of the majority in aggregate principal amount of Certificates Outstanding shall have consented, in writing, to such repair or replacement, or (iv) such requirements are waived by the Certificate Holders of the majority in aggregate principal amount of Certificates Outstanding.

(h) If, following the use by the Lessee of Net Insurance Proceeds for the purposes described above, there remains an excess amount, the Lessee shall deposit such excess Net Insurance Proceeds into the Lease Payment Fund and it shall be afforded a credit against its immediately succeeding Lease Payments due.

SECTION 4.3. Mandatory Sinking Fund Prepayment The Certificates maturing on _____ 1, 20____, shall be subject to mandatory sinking fund prepayment prior to maturity at a prepayment price equal to the Principal Component of the Certificates to be prepaid, plus accrued interest with respect thereto to the prepayment date, on _____ 1 of each year, commencing _____ 1, 2022, in the Principal Components and on the prepayment dates as follows:

Mandatory Sinking Fund Prepayment Date (_____ 1)	Mandatory Sinking Fund Payment

†

† Maturity.

SECTION 4.4. Optional Prepayment of Certificates The Certificates may be prepaid before maturity on any Interest Payment Date, at the option of the Lessee, from moneys deposited into the Prepayment Fund as a result of the Lessee's election to prepay Lease Payments, on any payment date, in whole, but not in part, exercised by notifying the Owner at least 30 days prior to the scheduled prepayment date, as provided in the Lease, at a prepayment prices as set forth below, together with interest accrued thereon to the date fixed for prepayment.

Prepayment Date	Prepayment Price
_____ 1, 20__ through and including _____ 1,	%
20__	
_____ 1, 20__ through and including _____ 1,	
20__	
_____ 1, 20__ and thereafter	

SECTION 4.5. Reserved

SECTION 4.6. Reserved

SECTION 4.7. Notice of Prepayment When prepayment is authorized or required under Section 4.2 or Section 4.4, the Trustee shall give notice of the prepayment of the affected Certificates. Notice of mandatory sinking fund prepayment under Section 4.3 is not required is not required hereunder. Written notice of any such prepayment shall be given by the Lessee to the Trustee at least thirty-five (35) days prior to the date of prepayment (unless a shorter time shall be acceptable to the Trustee, such notice to the Trustee for its convenience), and the Trustee shall thereupon give notice on behalf and at the expense of the Lessee, by mailing a copy of a prepayment notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for prepayment to each Certificate holder of the Certificates to be prepaid at the addresses shown on the Certificate registration books maintained by the Trustee; provided, however, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be prepaid; (b) the CUSIP numbers, if any, the numbers and dates of maturity of the Certificates to be prepaid; (c) the date of prepayment; (d) the prepayment price and (e) the place or places where the prepayment will be made. Such notice shall further state that on the specified date there shall become due and payable upon each Certificate to be prepaid, the portion of the principal amount together with interest accrued to such date to be prepaid and that from and after such date the Interest Component shall cease to accrue and become payable.

Each check or other transfer of funds issued or made by the Trustee for the purpose of prepaying the Certificates shall to the extent practicable identify by designation and maturity the Certificates being prepaid with the proceeds of such check or other transfer. Failure by a Certificate holder, depository or information service listed above to receive notice as provided herein shall not affect the validity of such prepayment. Notice of prepayment having been given as aforesaid, the Certificates or portions of Certificates so to be prepaid shall, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after the date on which prepaid, interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates shall be paid by the Trustee at the prepayment price. Amounts equal to the Interest Component due on or prior to the prepayment date shall be payable as herein provided for regular payments of the Interest Component. Upon surrender for any partial prepayment of any Certificate, there shall be prepared for the Certificate holder a new Certificate or Certificates in the amount of the unpaid Principal Component. All Certificates which have been prepaid shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to Article XIV, Section 14.8 hereof. All prepayments shall be made in accordance with Article V, Section 5.5.

The Trustee shall have no responsibility for a defect in the CUSIP number, if any, that appears on any Certificate or in the prepayment notice. The prepayment notice may provide that the CUSIP numbers, if any, have been assigned by an independent service and are included in the notice solely for the convenience of the Certificate Holders and that the Trustee and the Lessee shall not be liable in any way for inaccuracies in such numbers.

SECTION 4.8. Effect of Notice of Prepayment

(a) With respect to any notice of prepayment of the Certificates in accordance with Article IV, Section 4.7 hereof, such notice may state that such prepayment shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys sufficient to pay the prepayment price of and accrued interest on the such Certificates to be prepaid, and that if such moneys shall not have been so received, said notice shall be of no force and effect and the Lessee and the Lessor shall not be required to prepay such Certificates or to pay any amounts to the Certificate Holders except to pay principal and interest evidenced by the Certificates in accordance with Article II, Section 2.2(b) hereof. If such conditional notice of prepayment contains such a provision and such moneys are not so received, the conditional prepayment shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of prepayment was given, that such moneys were not so received and that the conditional prepayment was cancelled. The Lessee may rescind any optional prepayment, and notice thereof may be rescinded by Lessee for any reason, by providing written notice of such rescission to the Trustee on any date prior to the date fixed for prepayment. Within one (1) day of receipt of such written notice, the Trustee shall give written notice of the rescission to the Certificate Holders so called for prepayment. The actual receipt by the Certificate holder of any Certificate of notice of such rescission will not be a condition precedent to such rescission and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

(b) Notice having been given as aforesaid, and the moneys for the prepayment (including the Interest Component accruing to the applicable date of prepayment) having been set aside in the Prepayment Fund, the Certificates so called shall become due and payable on said date of prepayment, and upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid in the amount of the unpaid Principal Component, plus the Interest Component accrued and unpaid to said date of prepayment.

If, on the date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, and premium, if any, shall be held by the Trustee so as to be available therefor on such date of prepayment, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said date of prepayment, the Interest Component shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Certificate Holders to be so prepaid without liability for interest with respect thereto. All Certificates paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof.

SECTION 4.9. Surplus Any funds remaining in the Prepayment Fund after prepayment, or provision having been made therefor satisfactory to the Trustee, including payment of any accrued interest and payment of any such applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the Lessee.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

SECTION 5.1. Security Provisions

(a) Assignment of Rights in Lease and Site Lease The Lessor has, pursuant to the Assignment Agreement, assigned and set over to the Trustee certain of its rights in the Lease and the Site Lease (excepting only its rights to indemnification and to give approvals and consents), including but not limited to all of the Lessor's rights to receive and collect all of the Lease Payments, Additional Payments (except those Additional Payments payable to the Trustee), Prepayments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease or pursuant hereto. All Lease Payments, Additional Payments, Prepayments and such other amounts to which the Lessor may at any time be entitled shall be paid by the Lessee directly to the Trustee, and all of the Lease Payments, Additional Payments, and Prepayments collected or received by the Lessor shall be deemed to be held and to have been collected or received by the Lessor as the agent of the Trustee, and if received by the Lessor at any time shall be deposited by the Lessor with the Trustee within one Business Day after the receipt thereof, and all the Lease Payments, Additional Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in Article III, Section 3.1 of the Lease or Article V, Section 5.4 hereof).

(b) Security Interest in Moneys and Funds and Accounts The Lessor and the Lessee, as their interests may appear, hereby grant to the Trustee for the benefit of the Certificate Holders a lien on and a security interest in all moneys in the funds and accounts held by the Trustee under this Trust Agreement, including without limitation, the Lease Payment Fund, the Prepayment Fund, Net Insurance and Condemnation Proceeds Fund and any accounts therein, and all such moneys shall be held by the Trustee in trust and applied to the purposes specified herein and in the Lease.

(c) Security Interest in the Leased Property The Lessor and Lessee, hereby grant to the Trustee for the benefit of the Certificate Holders a lien on and a security interest in the Leased Property for the maximum Term of the Lease, which interest shall be evidenced by the filing of appropriate security instruments, signed by the Lessor, granting the Trustee a first perfected security interest in the Leased Property. Unless otherwise agreed to in writing by the Certificate Holders of not less than a majority in principal amount of Certificates then Outstanding, no lien on the Leased Property (except laborers' and mechanics' liens) senior to such lien shall be permitted.

(d) Pledge of Lease Payments The Lease Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the Interest Component and the Principal Component, and the Lease Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Lease Payments for the benefit of the Certificate Holders, as their interests may appear, in accordance with the terms hereof.

SECTION 5.2. Reserved

SECTION 5.3. Establishment of Lease Payment Fund

(a) The Trustee shall establish a special fund designated as the “City of Maywood Certificates of Participation, 2022 Series A Lease Payment Fund” (the “Lease Payment Fund”). All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Certificate Holders. So long as any Certificates are Outstanding, neither the Lessee nor the Lessor shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

SECTION 5.4. Deposits There shall be deposited into the Lease Payment Fund all Lease Payments, Additional Payments (except those payable to the Trustee as its fees and expenses) and Lessee Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Article II, Section 2.7 herein, Article IV, Section 4.3 (regarding Lease Payments) of the Lease and any other moneys required to be deposited therein pursuant to the Lease or pursuant to this Trust Agreement. On or prior to each Lease Payment Date, the Trustee shall notify the Lessee of the amounts on deposit in the Lease Payment Fund to be credited toward the Lease Payments due from the Lessee on the next succeeding Lease Payment Date.

SECTION 5.5. Application of Moneys Except as provided in Article V, Section 5.7 or Article XIII, Section 13.5, all amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the Principal Component and Interest Component as the same shall become due and payable, in accordance with the provisions of Article II and Article IV. Subject to Article IV, Section 13.5(a), this pledge shall constitute a first and exclusive lien on the Lease Payments in accordance with the terms hereof.

Except as provided in the previous paragraph, the Trustee shall apply moneys on deposit in the Lease Payment Fund in the following order of priority:

(a) On or before each Interest Payment Date, an amount sufficient to pay the Interest Component coming due and payable on such date shall be set aside;

(b) On or before each Principal Payment Date, an amount sufficient to pay the Principal Component with respect to the Certificates coming due and payable on such date shall be set aside by the Trustee and mailed (or sent by wire transfer, as appropriate) to the Certificate Holders of the Certificates; and

(c) To the extent that Lessee Prepayments shall be deposited to the Prepayment Fund by the date which is forty-five (45) days prior each date set for prepayment of Certificates pursuant to Article IV, Section 4.2 hereof, the amount prepaid shall be deposited into the Prepayment Fund to be applied for the prepayment of Certificates in accordance with Article IV, Section 4.2 hereof.

SECTION 5.6. Surplus Any funds remaining in the Lease Payment Fund after prepayment and payment of all Certificates Outstanding, or provision having been made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the Lessee.

SECTION 5.7. Investment Earnings The Trustee shall deposit all earnings resulting from the investment of moneys in any fund or account held under this Trust Agreement as provided in Article XIII, Section 8.3 hereof.

SECTION 5.8. Recordation and Filing The Trustee shall cooperate fully with the Lessee, at the expense of the Lessee, with respect to the Lessee's filing and recording any amendments or supplements to the Site Lease and the Lease, all in such manner, at such times and in such places required in order fully to perfect, preserve and protect the security of the Certificate Holders. It is not anticipated that financing statements recorded on the Closing Date will be renewed or continuation statements filed in connection therewith unless otherwise directly instructed by the Lessor, upon consultation with the Lessee. The Lessee and Lessor will do whatever else necessary or reasonably required in order to perfect and continue such security interest and assignment of the Lease.

SECTION 5.9. Preservation of Lien The Trustee, at the written request and at the expense of the Lessee, and the Lessee covenant and agree to take such action as is necessary from time to time hereunder and under applicable law to preserve the priority of the pledge of the Lease Payments and other amounts pledged hereunder.

ARTICLE VI

[RESERVED]

ARTICLE VII

NET INSURANCE AND CONDEMNATION PROCEEDS FUND AND CONDEMNATION PROCEEDS

SECTION 7.1. Establishment of Net Insurance and Condemnation Proceeds Fund; Application of Net Insurance and Condemnation Proceed The Trustee shall establish a special fund, at such time as deposits are required to be made therein, to be designated as the "City of Maywood Certificates of Participation, 2022 Series A Net Insurance and Condemnation Proceeds Fund" (the "Net Insurance and Condemnation Proceeds Fund") and shall administer such fund, and any account therein, in accordance with the provisions hereof. All moneys at any time on deposit in the Net Insurance and Condemnation Proceeds Fund shall be held by the Trustee in trust for the benefit of the Certificate Holders, and applied solely as provided herein. The Trustee shall apply moneys on deposit in the Net Insurance and Condemnation Proceeds Fund as follows:

(a) Any Net Insurance and Condemnation Proceeds collected by the Lessee shall be transferred to the Trustee pursuant to Article VI, Section 6.2(a) of the Lease and deposited by the Trustee in the Net Insurance and Condemnation Proceeds Fund to be held in

trust and applied and disbursed by the Trustee as provided in Article VI, Section 6.2 of the Lease.

(b) If any portion of the Leased Property is damaged or destroyed, or taken by condemnation proceedings, the Net Insurance and Condemnation Proceeds therefrom shall be deposited in the Net Insurance and Condemnation Proceeds Fund promptly upon receipt thereof and the Lessee shall certify to the Trustee within forty-five (45) days (i) as to whether the Leased Property has been damaged or destroyed, or taken in whole or in part, (ii) as to whether the remaining portion of the Leased Property is still useful for the purposes originally intended, and (iii) as to whether it desires that any available Net Insurance and Condemnation Proceeds from such damages recovery or condemnation proceedings be applied for replacement of the Leased Property and, if so, that sufficient funds, together with such Net Insurance and Condemnation Proceeds, have been appropriated to pay the total cost of such replacement. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in whole or in part to such extent that the remaining portion of Leased Property is no longer useful for the purposes originally intended, the Trustee shall transfer all of such Net Insurance and Condemnation Proceeds to the Prepayment Fund to be applied to the partial prepayment of Certificates. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in part and that the remaining portion of the Leased Property is still useful for the purposes originally intended, the Trustee shall transfer such Net Insurance and Condemnation Proceeds to the Lease Payment Fund to be applied for replacement of the Leased Property, provided that the Lessee certifies that sufficient funds, together with such Net Insurance and Condemnation Proceeds, have been appropriated or are otherwise available to pay the total cost of such replacement, the Trustee will disburse such Net Insurance and Condemnation Proceeds to the Lessee upon receipt of the requisition therefor in order for the Lessee to cause the Leased Property to be replaced or improved to at least the same good order, repair and condition as it was in prior to the damage or destruction or condemnation proceedings, insofar as the same may be accomplished with said funds, and the Trustee shall transfer any excess Net Insurance and Condemnation Proceeds to the Lease Payment Fund to be credited against the Lessee's next Lease Payment. If such certification is to the effect that the Leased Property has been damaged or destroyed, or taken in part and that the remaining portion of the Leased Property is still useful for the purposes originally intended, and the Trustee transfers funds to the Net Insurance and Condemnation Proceeds Fund, but the Lessee does not certify that there are sufficient funds to complete the replacement of the Leased Property, then the Trustee shall transfer all of such Net Insurance and Condemnation Proceeds to the related Prepayment Fund to be applied to the prepayment of the Certificates. The Lessee has covenanted in the Lease to use its best efforts to provide sufficient construction funds to make all required Lease Payments in excess of the amount of rental interruption insurance, if necessary, in order to ensure completion of the reconstruction, repair, restoration, modification or improvement of the Leased Property and the Leased Property Components.

SECTION 7.2. Excess Net Insurance and Condemnation Proceeds After all of the Certificates have been retired and the entire amount of the Principal Components and Interest Components of the Certificates have been paid in full or provision having been made therefor satisfactory to the Trustee, including payment of the Trustee's fees and expenses, the Trustee shall then pay any remaining moneys in the Net Insurance and Condemnation Proceeds Fund to the Lessee.

SECTION 7.3. Cooperation The Lessor and the Trustee shall cooperate fully with the Lessee, at the expense of the Lessee, with respect to the Lessee's filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to any part of the Leased Property; provided that the Trustee shall not be obligated to take any action if it has not been indemnified as provided herein.

ARTICLE VIII

MONEYS IN FUNDS; INVESTMENT

SECTION 8.1. Held in Trust The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Certificate Holders.

SECTION 8.2. Investments Authorized Moneys held by the Trustee hereunder, upon Written Order of the Lessee shall be invested and reinvested by the Trustee in Permitted Investments. Investments shall not include corporate debt other than commercial paper rated in the highest category by the Rating Agencies. The Lessee shall by Written Order filed with the Trustee direct such investment in specific Permitted Investments identified in such Written Order. Such investments, if registerable, shall be registered in the name of the Trustee or its nominee for the benefit of the Certificate Holders and held by the Trustee or held in the name of the Trustee at a bank's trust department or separate safekeeping department. Such investment direction shall be made giving full consideration for the time at which funds are required to be available based upon information provided by the Lessee. The Trustee and its affiliates may act as sponsor, advisor, purchaser or agent in the making or disposing of any investment. The Trustee covenants that in the absence of a Written Order of the Lessee directing investments hereunder, the Trustee shall hold such funds uninvested pending the receipt of written investment instruction. The Trustee shall not be responsible for investments complying with yield restriction requirements, other than to follow the investment instructions of the Lessee.

The Lessor and the Lessee acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Lessor or the Lessee the right to receive brokerage confirmations of securities transactions as they occur, at no additional cost, the Lessor and the Lessee specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Lessee periodic cash transaction statements as provided herein which shall include detail for all investment transactions made by the Trustee hereunder.

SECTION 8.3. Disposition of Investments Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited to the fund or account from which the investment was made, except as otherwise provided herein. All earnings resulting from the investment of moneys deposited in any other fund or account held under this Trust Agreement will be retained in the fund or account in which earned and shall be applied for the purpose for which such fund or account is established.

SECTION 8.4. Accounting The Trustee shall furnish to the Lessee each month an accounting statement of all investments made by the Trustee in addition to accounting for the receipts and disbursements of the Lessee. The Trustee shall not be responsible or liable for any

loss suffered in connection with any investment of funds made in accordance with this Trust Agreement, except for its own negligence and willful misconduct.

SECTION 8.5. Valuation of Investments and Accounts With respect to all funds and accounts, the Trustee shall, at the expense of the Lessee, determine the value of investments held hereunder no less often than monthly, calculated as follows: (i) the value of the securities as computed on the basis of the closing bid price quoted by Interactive Data Systems, Inc.; (ii) the valuation of the securities performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; (iii) the valuation of collateral based on the lower of two dealer bids on the valuation date, which dealers or their parent holding companies are rated at least investment grade by S&P and Moody's, are market makers in the securities being valued; (iv) as to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and (v) as to any investment not specified above, the value thereof established by the Lessee, as notified in writing to the Trustee. In making any valuations hereunder, the Trustee may utilize pricing services (including brokers and dealers in securities) available to it, including those within its regular accounting system and may conclusively rely thereon. Any Permitted Investment shall be deemed to mature on the earliest date that the issuer thereof may be required to repay the principal thereof at principal without penalty. The Trustee shall sell, or present for prepayment or redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

SECTION 8.6. Deposit and Investment of Moneys in Funds The Trustee shall have no duty or obligation to verify the legality of Permitted Investments directed by the Lessee. Each written investment direction of the Lessee shall contain a certification that such investments are Permitted Investments as defined herein.

ARTICLE IX

THE TRUSTEE

SECTION 9.1. Appointment of Trustee U.S. Bank [Trust Company,] National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Lessor for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Lessor will maintain either U.S. Bank [Trust Company,] National Association, or a successor Trustee which successor Trustee is a commercial bank, national banking association, banking corporation or trust company having an office in Los Angeles, California, which, together with the corporate parent of such Trustee, has a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by Federal or state authority, so long as any Certificates are Outstanding. If such bank, national banking association, banking corporation or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purpose of this Section, the combined capital and surplus of such

bank, national banking association, banking corporation 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 is hereby authorized to pay the Certificates when duly presented for payment at maturity, or upon prepayment as provided in this Trust Agreement of Certificates prior to maturity and to cancel all Certificates upon payment or prepayment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated for its services rendered pursuant to the provisions of this Trust Agreement.

The Lessee, so long as no Event of Default shall have happened and be continuing, may remove the Trustee initially appointed, and any successor thereto, for good cause and may appoint a successor or successors thereto; *provided*, that any such successor shall be a commercial bank, national banking association, banking corporation or trust company meeting the requirements set forth in this Section. In addition, the Trustee may be removed at any time, for any breach of the trust set forth herein.

The Trustee may resign by giving prior written notice to the Lessor and the Lessee. Upon receiving such notice of resignation, the Lessor shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor thereto shall become effective upon acceptance of appointment by such successor. Notwithstanding any other provision of this Trust Agreement, no removal, resignation or termination of the Trustee shall take effect until a successor, shall be appointed. Upon such acceptance, the successor trustee shall mail notice thereof to the Certificate Holders at their respective addresses set forth on the Certificate registration books maintained pursuant to Article II, Section 2.11 hereof. If the Lessor does not name a successor Trustee within 30 days of the Trustee's removal or receipt of notice of the Trustee's resignation, then the Trustee may petition a federal or state court of proper jurisdiction to seek the immediate appointment of a successor Trustee.

Every successor Trustee appointed pursuant to this Trust Agreement shall satisfy the requirements of this Section. Notwithstanding any other provision of this Trust Agreement, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed.

SECTION 9.2. Liability of Trustee The recitals of facts herein, in the Assignment Agreement and in the Certificates contained shall be taken as statements of the Lessee, and the Trustee assumes no, nor shall it have any, responsibility or liability for the correctness of the same, and makes no representations as to the validity or sufficiency of this Trust Agreement or the Certificates as to the value or condition of the trust estate or any part thereof, as to the title of the Lessee thereto, as to the security afforded thereby or by this Trust Agreement, as to the tax status of the Interest Component with respect to the Certificates, or as to the technical or financial viability of the Lessee, and shall incur no responsibility nor have any liability in respect thereof. The Trustee shall not be accountable in any manner whatsoever for the use or application by the Lessee of the Certificates or the proceeds thereof or of any moneys paid to the Lessee pursuant to the terms of this Trust Agreement. The Trustee shall, however, be responsible for its representations in relation to the execution of the Certificates. 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 may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys, and the Trustee shall not be directly responsible for any misconduct or negligence on the part of any agent (other than an employee) or attorney appointed with due care. The Lessee shall not be deemed an agent of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance by the Lessee with its duties hereunder in connection with the transactions contemplated herein. The Trustee may become a Certificate holder of the Certificates with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of their officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Certificate Holders, whether or not such committee shall represent the Certificate Holders of not less than the majority in principal amount of the Certificates then Outstanding. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder or thereunder, or in the exercise of its rights or powers.

In accepting the trusts hereby created, the Trustee acts solely as Trustee for the Certificate Holders and not in its individual capacity and all persons, including without limitation the Certificate Holders, Lessor and Lessee having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates.

The Trustee shall not be accountable for the use or application by the Lessee or any other party of any funds which the Trustee has released in accordance with the provisions of this Trust Agreement. Every provision of this Trust Agreement, the Lease, the Site Lease and the Assignment Agreement relating to the conduct or liability of the Trustee shall be subject to the provisions of this Trust Agreement, including without limitation, this Article. The Trustee is authorized and directed to execute in its capacity as Trustee hereunder the Assignment Agreement.

The Trustee is not responsible for any official statement or any other offering material prepared or distributed with respect to the Certificates. The Trustee shall not be liable for any action taken or not taken by it in accordance with the written direction of the Certificate Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee, or in the exercise of any trust or power conferred to the Trustee under this Trust Agreement.

Prior to taking any action under Article XIII or this Article at the request of the Certificate Holders, the Trustee may require that a satisfactory indemnity bond be furnished by the Certificate Holders for the reimbursement of all expenses to which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken under Article XIII or this Article.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not

limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee shall, prior to an Event of Default, and after the curing of all Events of default which may have occurred hereunder, perform such duties and only such duties are specifically set forth herein. The Trustee shall, during the existence of any Event of Default, which has not been cured, exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as prudent persons would exercise or use under the circumstances in the conduct of their own affairs.

SECTION 9.3. Merger or Consolidation Any company or national banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company, banking corporation or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company, banking corporation or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or national banking association shall meet the requirements set forth in Article IX, Section 9.1 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. Notice of such merger or consolidation shall be given to the Lessor and the Lessee.

SECTION 9.4. Protection and Rights of the Trustee The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, including, but not limited to, the legality of any investment in which Trustee is instructed to invest, but may, in the absence of negligence or bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may be counsel to the Lessee, with regard to legal questions and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), in the absence of negligence or bad faith on its part, shall be deemed to be conclusively proved and established by the certificate of the Lessee's Authorized Signatory or

the Lessor Representative and such certificate shall be full warranty to the Trustee, in the absence of negligence or bad faith on its part, for any action taken or suffered under the provisions of this Trust Agreement 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 to it may deem reasonable to the Trustee.

The Trustee may be or become a Certificate holder with the same rights it would have if it were not Trustee; may acquire and dispose of any bonds or other evidence of indebtedness of the Lessee with the same rights it would have if it were not the Trustee and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Certificate Holders whether or not such committee shall represent the Certificate Holders of the majority in principal amount of the Certificates then Outstanding.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Certificates, or as to the existence of an Event of Default thereunder.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

In acting or omitting to act pursuant to the Lease, the Site Lease, or any other agreement executed in connection hereof or thereof to which the Trustee is a party, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement, including, but not limited to, this Article IX.

SECTION 9.5. Compensation of the Trustee The Lessee shall on demand pay to the Trustee reasonable compensation for the Trustee's regular services hereunder as provided in the written fee schedule of the Trustee furnished to the Lessee and shall reimburse the Trustee, for all advances (with interest on such advances at the maximum rate allowed by law) and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Trustee in the exercise and performance of its powers and duties hereunder and the Trustee shall have a lien therefor on all funds and property attributable to a defaulting party, at any time held by it under this Trust Agreement, which lien shall not be prior and superior to the lien of the Certificate Holders unless there has occurred an Event of Default in which event the lien of the Trustee shall be prior and superior to the lien of the Certificate Holders. The Lessee's obligations hereunder shall remain valid and binding, notwithstanding the maturity and payment of the Certificates. The compensation of the Trustee hereunder shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the

compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 9.6. Indemnification of Trustee To the extent permitted by law, the Lessee shall indemnify and save the Trustee and its officers, directors, employees, agents, successors or assigns harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of (i) the actions of any other party, including but not limited to the ownership, operation or use of Leased Property by the Lessee, or (ii) the Trustee's exercise and performance of its powers and duties hereunder, under the Lease, the Site Lease and any other document or transaction contemplated in connection herewith or therewith. No indemnification will be made under this Section or elsewhere in this Trust Agreement for negligence or willful misconduct under this Trust Agreement by the Trustee, its officers or employees. The Lessee's obligations hereunder shall remain valid and binding notwithstanding the defeasance, maturity and payment of the Certificates or the resignation or removal of the Trustee.

ARTICLE X

MODIFICATION OR AMENDMENT OF AGREEMENTS

SECTION 10.1. Amendments Permitted This Trust Agreement and the rights and obligations of the Certificate Holders and the Lease and the Site Lease and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, which shall become effective when the written consent of the Corporation shall have been filed with the Trustee, without any further agreement, action or consent.

In executing, or accepting the additional trusts created by, any supplemental trust agreement permitted by Article X, Section 10.1 or the modification thereby of the trusts created by this Trust Agreement, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental trust agreement is authorized or permitted by this Trust Agreement and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such supplemental trust agreement which affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

SECTION 10.2. Disqualified Certificates Certificates actually known by a Responsible Officer of the Trustee to be owned or held by or for the account of the Lessee or the Lessor or by any person directly or indirectly controlled by, or under direct or indirect common control of, the Lessee or the Lessor (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement unless 100% in aggregate principal amount of the Certificates are so owned. Upon request of the Trustee, the Lessor or the Lessee shall specify to the Trustee those Certificates disqualified pursuant to this Section and the Trustee may conclusively rely on such certification.

SECTION 10.3. Effect of Supplemental Agreement From and after the time any supplemental agreement becomes effective pursuant to this Article, this Trust Agreement or the Lease, shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the parties hereto or thereto and all Certificate Holders Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder and thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease, as the case may be, for any and all purposes.

SECTION 10.4. Endorsement or Replacement of Certificates Delivered After Amendments The Lessee may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement, in form approved by the Lessee and the Trustee, as to such action. In that case, upon demand of any Certificate holder Outstanding at such effective date and presentation of his Certificate for that purpose at the office of the Trustee, a suitable notation shall be made on such Certificate. The Lessee may determine that new Certificates, so modified as in the opinion of the Lessee is necessary to conform to such Certificate holder's action, shall be prepared, executed and delivered. In that case, upon demand of the Certificate holder of any Certificate then Outstanding, such new Certificate shall be exchanged in the Principal Corporate Trust Office of the Trustee without cost to such Certificate holder, for a Certificate of the same character then Outstanding, upon surrender of such Certificate.

SECTION 10.5. Amendatory Endorsement of Certificates Subject to Article X, Section 10.1, the provisions of this Article shall not prevent any Certificate holder from accepting any amendment as to the particular Certificates held by such Certificate holder.

SECTION 10.6. Execution of Supplemental Agreements The Trustee shall not be obligated to execute any supplemental agreement affecting its rights, duties, protections, immunities and indemnities accorded to it under this Trust Agreement. Prior to its execution of a supplemental agreement, the Trustee is entitled to receive, at the expense of the Lessee, an opinion of counsel stating that the execution of such amendment is authorized or permitted under this Trust Agreement.

ARTICLE XI

COVENANTS; NOTICES

SECTION 11.1. Compliance with and Enforcement of the Lease The Lessee covenants and agrees with the Certificate Holders to perform all obligations and duties imposed on them, respectively, hereunder and under the Lease. The Lessor covenants and agrees with the Certificate Holders to perform all obligations and duties imposed under the Lease. The Lessee 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 or refraining from action, would or might be a ground for cancellation or termination of the Lease by the Lessor thereunder. The Lessor and the Lessee, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting the estate, in the Leased

Property, which may or can in any manner affect such estate of the Lessee, will deliver the same, or a copy thereof, to the Trustee.

SECTION 11.2. Lessee's Budget Pursuant to the Lease, the Lessee shall supply to the Trustee, prior to the beginning of the fiscal year, a certification that the Lessee has made adequate provision in its proposed annual budget for the payment of Lease Payments due under the Lease in the fiscal year covered by such budget. The certification given by the Lessee to the Trustee shall be to the effect that the amounts so budgeted are fully adequate for the payment of all Lease Payments due under the Lease in such fiscal year. If the certification states that the amounts so budgeted are not stated to be adequate for the payment of Lease Payments due under the Lease, the Trustee shall notify the Lessee to take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the Lessee in the ensuing fiscal year for the payment of Lease Payments due under the Lease and shall notify the Trustee of the proceedings then taken or proposed to be taken by the Lessee; and the Trustee shall forward a copy of such notice to the Lessee. The Trustee shall be protected in relying upon any certification or such notice from the Lessee, and the Trustee shall have no further responsibility for the evaluation of such budget data. The Lessee shall keep the Trustee advised of all proceedings thereafter taken by the Lessee.

SECTION 11.3. Investments The Lessee hereby authorizes the Trustee to invest funds and accounts attributable to the Leased Property in Permitted Investments. To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor and the Trustee and each of their respective successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of any act or negligence with respect to the investment of funds and accounts pursuant to the Lease or this Trust Agreement.

SECTION 11.4. Further Assurances The Lessor and the Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming unto the Certificate Holders of the rights and benefits provided herein.

SECTION 11.5. Tax Covenants The Lessee shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest evidenced by the Certificates under Section 103 of the Code. The Lessee will not make any use of the proceeds of the Certificates or any other funds or take or omit to take any other action which will cause the Certificates or the Lease to be "private activity bonds" within the meaning of Section 141(a) of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code. To that end, so long as any Lease Payments are unpaid, the Lessee, with respect to such proceeds and such other funds, will comply with all requirements of such Sections 141(a) and 149(b) and all related Regulations to the extent that such requirements are, at the time, applicable and in effect.

SECTION 11.6. Arbitrage Covenant The Lessor and the Lessee hereby covenant with the Owners of the Certificates that, notwithstanding any other provision of this Trust Agreement, neither of them shall make any use of the proceeds of the Certificates that will cause the

obligations of the Lessee under the Lease to be “arbitrage bonds” pursuant to Section 148 of the Code resulting in the inclusion of the Interest Component in gross income for purposes of federal income taxation.

ARTICLE XII

LIMITATION OF LIABILITY

SECTION 12.1. Limited Liability of the Lessee Except for the payment of Lease Payments, Additional Payments and Prepayments when due in accordance with the Lease and the performance of the other covenants and agreements of the Lessee contained herein and in the Lease, the Lessee shall have no obligation or liability to any of the other parties or to the Certificate Holders with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Certificate Holders by the Trustee.

SECTION 12.2. No Liability of the Lessee or Lessor for Trustee Performance Except as expressly provided herein, neither the Lessee nor the Lessor shall have any obligation or liability to any of the other parties or to the Certificate Holders with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 12.3. Limited Liability of Trustee The Trustee shall have no obligation or responsibility for providing information to the Certificate Holders concerning the investment character of the Certificates, for the sufficiency or collection of the Lease Payments or other moneys required to be paid to it under the Lease (except as provided in this Trust Agreement) or for the actions or representations of any other party to this Trust Agreement. The Trustee shall have no obligation or liability to any of the other parties or the Certificate Holders with respect to this Trust Agreement or the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement and the Lease, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it hereunder. The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the Lessee or the Lessor (as the case may be), and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of this Trust Agreement or of the Certificates, shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

SECTION 12.4. Opinion of Counsel Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon. The Trustee shall not be responsible or liable for any losses suffered in connection with

any investment of funds made by it under the terms of and in accordance with this Trust Agreement.

SECTION 12.5. Limitation of Rights to Parties and Certificate Holders Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the Lessee, the Lessor, the Trustee and the Certificate Holders, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, the Lessor, the Trustee and the Certificate Holders.

ARTICLE XIII

ASSIGNMENT OF RIGHTS; EVENTS OF DEFAULT AND REMEDIES OF OWNERS

SECTION 13.1. Assignment of Rights Pursuant to the Assignment Agreement, the Lessor has transferred, assigned and set over to the Trustee for the benefit of the Certificate Holders (1) all of the Lessor's rights to receive Lease Payments and Prepayments without recourse to be paid by the Lessee under and pursuant to the Lease and the Site Lease and (2) effective immediately upon the occurrence of an Event of Default under the Lease or the Site Lease and without further action on the part of the Lessor, such rights and remedies of the Lessor under the Lease and the Site Lease, as applicable, as may be necessary or convenient (i) to enforce payment of the Lease Payments, Prepayments and any other amounts required to be deposited in the Lease Payment Fund, the Net Insurance and Condemnation Proceeds Fund and Prepayment Fund, or (ii) otherwise to protect the interests of the Certificate Holders or the Trustee upon the occurrence of an Event of Default.

SECTION 13.2. Events of Default Defined The following shall be "Events of Default" under this Trust Agreement:

(a) An Event of Default shall have occurred under Article IX, Section 9.1 of the Lease or Article XI, Section 11 of the Site Lease.

(b) Failure by the Lessee or the Lessor to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Trust Agreement or the Lease, other than such failure as may constitute an Event of Default under clause (a) of this Section 13.2, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee and Lessor by the Trustee or to the Lessee and the Lessor by the Certificate Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding or if the failure stated in the notice cannot be corrected within such thirty (30) day period, where the Lessee shall fail to institute corrective action within such thirty (30) day period and diligently pursue the same to completion.

SECTION 13.3. Notice of Events of Default If an Event of Default shall occur and be continuing, the Trustee shall give notice of such Event of Default to the Certificate Holders. Such notice shall identify the party in default and shall provide a brief description of such Event of Default. The Trustee in its discretion may withhold such notice if it deems it in the best interests of the Certificate Holders. The notice provided in this Section 13.3 shall be given by registered or certified mail to the Certificate Holders within thirty (30) days of such occurrence of the Event of Default.

SECTION 13.4. Remedies If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease under which such Event of Default has occurred; provided, however, that notwithstanding anything herein or in the Lease to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare the Lease Payments not then in default to be immediately due and payable.

Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Lessee, the Lessor, the Trustee, and the registered owners of the Certificates, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessee, the Lessor, the Trustee and the registered Certificate Holders.

SECTION 13.5. Application of Funds All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or of Article IX of the Lease and any other funds then held by the Trustee, shall be deposited into the Lease Payment Fund and be applied by the Trustee in the following order upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

(a) First, to the payment of the fees, costs and expenses of the Trustee (including reasonable compensation to its agents, attorneys and counsel) incurred in connection with the performance of its powers and duties under this Trust Agreement and the Lease;

(b) Second, to the payment to the persons entitled thereto of all amounts representing the Interest Component then due in the order of the maturity of such installment, and, if the amount available shall not be sufficient to pay in full any Interest Component maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

(c) Third, to the payment to the persons entitled thereto of the unpaid Principal Component which shall have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest due with respect to the overdue Principal Component or Interest Component at a rate equal to the rate paid on the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due on the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amount of the Principal Component due on such date to the persons entitled thereto, without any discrimination or preference;

(d) Fourth, to the extent not included in (a), (b), or (c) above to the payment of the fees, costs and expenses of the Certificate Holders (including reasonable compensation to its or their agents, attorneys and counsel) in declaring an Event of Default.

SECTION 13.6. Institution of Legal Proceedings If one or more Events of Default shall occur and be continuing, the Trustee in its discretion may, and upon the written request of the Certificate Holders of not less than a majority in principal amount of the Certificates then Outstanding received by the Trustee at its Principal Corporate Trust Office, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Certificate Holders by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or in the Lease, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as shall be deemed most effectual in support of any of its

rights or duties hereunder. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Certificate holder any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Certificate holder thereof, or to authorize the Trustee to vote in respect of the claim of any Certificate holder in any such proceeding without the approval of the Certificate Holders so affected.

SECTION 13.7. Non-waiver Nothing in this Article or in any other provision of this Trust Agreement or in the Certificates shall affect or impair the obligations of the Lessee, which obligations are absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease. No delay or omission of the Trustee or of any Certificate holder of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or to the Certificate Holders may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Holders.

SECTION 13.8. Remedies Not Exclusive No remedy herein conferred upon or reserved to the Trustee or to the Certificate Holders is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

SECTION 13.9. Power of Trustee to Control Proceedings If the Trustee, upon the occurrence of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Certificate Holders of not less than a majority in principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interest of the Certificate Holders with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Certificate Holders of at least a majority in principal amount of the Outstanding Certificates hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 13.10. Limitation on Certificate Holders' Right to Sue No Certificate holder of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Certificate holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Lease; (b) the Certificate Holders of not less than a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers herein before granted or to institute such action, suit or proceeding in its own name; (c) said Certificate Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Certificate holder of Certificates of any remedy hereunder; it being understood and intended that no one or more Certificate Holders shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal benefit of all Certificate Holders of the Outstanding Certificates.

The right of any Certificate holder of any Certificate to receive payment of said Certificate holder's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Certificate holder, notwithstanding the foregoing provisions of this Section 13.10 or any other provision of this Trust Agreement.

SECTION 13.11. Agreement to Pay Attorneys' Fees and Expenses If the Lessee or the Lessor should default under any of the provisions hereof and the non-defaulting party or parties should employ attorneys or incur other expenses for the collection of moneys or the enforcement or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party or parties; provided, however, that the Trustee shall not be required to expend its own funds for any payment described in this Section.

SECTION 13.12. No Liability by the Lessor Except as Expressly Provided Herein The Lessor shall not have any obligation or liability to the Certificate Holders with respect to the payment when due of the Lease Payments by the Lessee, or with respect to the performance by the Lessee of the other agreements and covenants required to be performed by it contained in the Lease or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.1. Defeasance Defeasance shall be deemed to occur if any or all Outstanding Certificates are paid and discharged in any one or more of the following ways:

(a) By well and truly paying or causing to be paid the Principal Components and Interest Components and prepayment premiums, if any, on all or a portion of the Certificates Outstanding, as and when the same become due and payable;

(b) If prior to maturity and having given notice of prepayment by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which, together with available amounts then on deposit in the Lease Payment Fund, is sufficient to pay all or a portion of the Certificates Outstanding, including all Principal Components, Interest Components, and prepayment premium, if any;

(c) By irrevocably depositing with the Trustee, in trust, noncallable, nonprepayable Defeasance Obligations in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit and available in the Lease Payment Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates (including all Principal Components and Interest Components represented thereby and prepayment premium, if any) at or before their maturity date and the fees and expenses of the Trustee have been paid in full; or

(d) By irrevocably depositing with the Trustee security for the payment of all or a portion of Lease Payments as more particularly described in Article X, Section 10.1 of the Lease, said security to be held by the Trustee as agent for the Lessee to be applied by the Trustee to pay the Lease Payments as the same become due and payable and make a Prepayment in full on the Lease Payment Date pursuant to Article X, Section 10.1 of the Lease.

To accomplish defeasance, the Lessee shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or prepayment date (a "Verification"), (ii) an escrow deposit agreement, (iii) an opinion of nationally recognized special counsel addressed to the Trustee to the effect that the Certificates are no longer "Outstanding" under this Trust Agreement and (iv) a certificate of discharge of the Trustee which may rely on the Verification with respect to the Certificates; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the Lessee and the Trustee. The Certificate shall be deemed "Outstanding" under the Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Lessor, the Trustee and the Lessee with respect to all or a portion of Outstanding Certificates shall cease and terminate, except only the obligations of the Lessee under Article IX, Section 9.6 hereof, the obligation of the Trustee pursuant to Article II, Section 2.8 hereof and its obligations to pay or cause to be paid, from Lease Payments paid by or on behalf of the Lessee from funds deposited pursuant to paragraphs (b) through (d) of this Section, to the Certificate Holders of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to such paragraphs, the Certificates shall continue to evidence and represent direct and proportionate interests of the Certificate Holders thereof in Lease Payments.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (b) through (d) of this Section, which are not required for the payment to be made to Certificate Holders, as verified by a certified public accountant, shall be paid over to the Lessee pursuant to the Lessee's written request therefor; provided that the fees and expenses of the Trustee have been fully paid.

SECTION 14.2. Records

(a) The Trustee shall keep complete and accurate records of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the Lessee, the Lessor and any Owner, or the agent of any of them, at any time during regular business hours with reasonable prior notice.

(b) For so long as the Original Purchaser is the registered Owner of the Certificates, the Lessee shall submit to the Original Purchaser, upon written request (a) current audited financial statements in reasonable detail, with supporting schedules (the “Audit”) as soon as practicable after the Lessee’s acceptance thereof and in any case within 360 days after the end of each fiscal year, which may be in electronic .PDF format. If the Audit is filed on the MSRB’s “EMMA” website, to satisfy this requirement, the Lessee may email a link to the posted Audit to the Original Purchaser within such 360-day period. The electronic audit or EMMA link may be sent to the following email address (or such other address as the Original Purchaser supplies to the Lessee in writing): Public_Finance_Servicing@snbcloud.onmicrosoft.com, and (b) at the request of the Original Purchaser, the Lessee’s annual budget as submitted or approved.

(c) The Lessee further agrees that upon 10 days prior written notice, it will permit the Original Purchaser or its agents and representatives to inspect the Lessee’s books and records and make extracts therefrom at its own expense during regular business hours and in a manner which will not disrupt the normal business routine of the Lessee. The Lessee shall furnish to the Original Purchaser such other financial information as it may reasonably request, so long as publicly available. If the Audit is not available within 360 days of fiscal year end, the Lessee will furnish unaudited financial statements to the Original Purchaser in the manner described in this paragraph within such period, and will then supply the Audit within 10 business days following the availability thereof.

SECTION 14.3. Notices All written notices to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice to the Trustee shall be effective upon receipt, and notice to the other parties shall be deemed effective upon receipt and shall be deemed to have been received upon the earlier of actual receipt or five Business Days after deposit in the United States mail, in certified form, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Lessee:	City of Maywood 4319 E. Slauson Avenue Maywood, CA 90270 Attention: City Manager
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If to the Trustee:	U.S. Bank [Trust Company,] National Association 633 West Fifth Street, 24 th Floor Los Angeles, California 90071 Attention: Global Corporate Trust
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If to the Lessor: Municipal Finance Corporation
2111 Palomar Airport Road, #320
Carlsbad, CA 92011
Attention: _____

SECTION 14.4. Governing Law This Trust Agreement shall be construed and governed in accordance with the laws of the State applicable to contracts made and performed therein.

SECTION 14.5. Binding Effect; Successors This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Lessor, the Lessee or the Trustee are named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Lessor, the Lessee or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 14.6. Execution in Counterparts This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

SECTION 14.7. Electronic Signatures Each of the parties hereto agrees that the transaction consisting of this Trust Agreement may be conducted by electronic means. Each party agrees and acknowledges that it is such party's intent that if such party signs this Trust Agreement using an electronic signature it is signing, adopting, and accepting this Trust Agreement and that signing this Trust Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Trust Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Trust Agreement in usable format.

SECTION 14.8. Destruction of Canceled Certificates Whenever in this Trust Agreement provision is made for the surrender or cancellation by the Trustee and the delivery to the Lessor of any Certificates, the Lessee's Authorized Signatory may request the Trustee to furnish to the Lessee a certificate of destruction of such Certificates, upon their destruction.

SECTION 14.9. Headings The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof.

SECTION 14.10. Waiver of Notice Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice

shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14.11. Interested Parties Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Lessee, the Trustee and the Certificate Holders, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulation, promises and agreements in this Trust Agreement contained by and on behalf of the Lessee shall be for the sole and exclusive benefit of the Lessee, the Trustee and the registered owners of the Certificates.

SECTION 14.12. Severability of Invalid Provisions In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant to this Trust Agreement, irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

U.S. BANK [TRUST COMPANY,]
NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

MUNICIPAL FINANCE CORPORATION, as
Lessor

By: _____
Treasurer

CITY OF MAYWOOD, as Lessee

By: _____
City Manager

EXHIBIT A

FORM OF CERTIFICATE

**CITY OF MAYWOOD CERTIFICATES OF PARTICIPATION,
2022 SERIES A**

Evidencing the Proportionate Undivided Interest of the Owner
Hereof in Lease Payments to Be Made by

CITY OF MAYWOOD

Pursuant to Lease Agreement with

MUNICIPAL FINANCE CORPORATION

Interest Rate	Maturity Date	Dated Date	CUSIP No.
%			

REGISTERED OWNER: STERLING NATIONAL BANK

PRINCIPAL AMOUNT: \$

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns of this Certificate of Participation (the "Certificate") is the owner of a proportionate and undivided interest in the right to receive and collect certain Lease Payments, Additional Payments and Prepayments (as defined in the Trust Agreement) to be made by the CITY OF MAYWOOD, a general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as Lessee (the "Lessee") pursuant to the Lease Agreement, dated as of March 1, 2022 (the "Lease"), by and between the MUNICIPAL FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the "Lessor"), and the Lessee, which Lease Payments and certain other rights and interests under the Lease have been assigned to U.S. BANK [TRUST COMPANY,] NATIONAL ASSOCIATION, as trustee (the "Trustee") under the Trust Agreement, dated as of March 1, 2022 (the "Trust Agreement"), by and among the Lessee, the Lessor and the Trustee. The Certificates are being executed and delivered in order to obtain funds to finance the acquisition, construction and/or installation of certain improvements for the benefit of the Lessee, and to pay the costs of execution and delivery of the Certificates. Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Trust Agreement or the Lease, as applicable.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease, on the maturity date specified above (the "Principal Payment Date"), the principal amount specified above, representing a portion of the Lease Payments designated as principal (the "Principal Component"), and to receive on _____ 1, 2022, and semiannually thereafter on

_____ 1 and _____ 1 of each year (each, an “Interest Payment Date”) until payment in full of said Principal Component, the Registered Owner’s portion of the Lease Payments designated as interest (the “Interest Component”) coming due during the six months immediately preceding each of the Payment Dates (collectively, each Principal Payment Date and Interest Payment Date is hereinafter referred to as a “Payment Date”); *provided*, that such Interest Component shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate (unless (i) it is executed as of an Interest Payment Date, in which event the Interest Component shall be payable from the date of execution thereof; (ii) it is executed after a Record Date and before the following Interest Payment Date, in which event the Interest Component shall be payable from such following Interest Payment Date; or (iii) it is executed on or before a Record Date, in which event the Interest Component shall be payable from the date of delivery of the Certificates).

The “Record Date” is the close of business on the fifteenth day of the month preceding a Payment Date, whether or not such day is a business day. There shall be no execution or registration of transfer of Certificates during the period established by the Trustee for selection of Certificates for prepayment or any Certificate selected for prepayment. The Interest Component is the result of the multiplication of the Principal Component by the rate per annum identified above. Interest with respect to the Certificates shall be calculated on the basis of a 360-day year, comprised of twelve months of 30 days each. Such amounts are payable by wire transfer or check in lawful money of the United States of America. The amount representing Principal Component payable at maturity or upon prepayment in whole is payable to the Registered Owner by wire transfer or check of the Trustee upon presentation and surrender of this Certificate at the Principal Corporate Trust Office. The amounts representing Interest Component are payable by check mailed on the applicable Interest Payment Date by first class mail by the Trustee to the Registered Owner hereof at his address as it appears on the registration books of the Trustee or by wire transfer to a bank account in the United States in the case of Registered Owners owning \$1,000,000 or more in aggregate principal amount of Certificates who have furnished instructions in writing to the Trustee at least 15 days prior to the Record Date for the related Payment Date.

The total amount of each payment made to the Registered Owner of this Certificate is comprised of interests in the Principal Component and Interest Component of Lease Payments made by the Lessee.

This Certificate has been executed and delivered by the Trustee pursuant to the Trust Agreement. The Lessee is authorized to enter into the Lease and the Trust Agreement under the Constitution and the laws of the State of California. Reference is hereby made to the Lease and the Trust Agreement (copies of which are on file at the Principal Corporate Trust Office) for a description of the terms on which the Certificates are executed and delivered, the rights thereunder of the Registered Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the Lessee under the Lease, to all of the provisions of which the Lease and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The Lessee is obligated to pay Lease Payments from any source of legally available funds, and the Lessee has covenanted in the Lease to make the necessary annual appropriations

therefor. The obligation of the Lessee to pay the Lease Payments does not constitute an obligation of the Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which such Lessee has levied or pledged any form of taxation. The obligation of the Lessee to pay the Lease Payments does not constitute a debt of the Lessee, the State of California or any of its political subdivisions, and does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Under certain circumstances, the Lessee is not obligated to make Lease Payments due to the loss or destruction of all or a portion of the Leased Property.

The Certificates are subject to prepayment as set forth in the Trust Agreement. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, the Interest Component shall cease to accrue with respect hereto from and after the date fixed for prepayment. The provisions of the Trust Agreement may be amended by the parties thereto to the extent and in the manner permitted by the terms of the Trust Agreement.

This Certificate is subject to mandatory sinking fund prepayment prior to maturity at a prepayment price equal to the Principal Component of the Certificates to be prepaid, plus accrued interest with respect thereto to the prepayment date, on _____ 1 of each year, commencing _____ 1, 2022, in the Principal Components and on the prepayment dates as follows:

Mandatory Sinking Fund
Prepayment Date
(_____ 1)

Mandatory
Sinking Fund Payment

†

† Maturity.

This Certificate is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, at the Principal Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates, of Authorized Denomination or denominations, for the same aggregate Principal Component, maturity and interest rate, will be delivered to the transferee. This Certificate also may be exchanged for a like aggregate Principal Component of Certificates of other Authorized Denominations as prescribed in the Trust Agreement. The Lessee, the Lessor and the Trustee may treat the Registered Owner hereof as the absolute Owner hereof for all purposes whether or not this Certificate shall be overdue, and the Lessee, the Lessor and the Trustee shall not be affected by any notice to the contrary.

THIS IS TO FURTHER CERTIFY that all acts, conditions and things required by the Trust Agreement to exist, to have happened and to have been performed by or in relation to the Trustee precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate, and that the Principal Component of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the Principal Components of Certificates authorized to be executed and delivered thereunder.

THE LESSEE HAS CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of California and the provisions of the Trust Agreement to exist, to have happened and to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO THE REGISTERED OWNERS TO MAKE PAYMENTS OF PRINCIPAL COMPONENTS OR INTEREST COMPONENTS OR LEASE PAYMENTS PERTAINING TO THE CERTIFICATES EXCEPT FROM LEASE PAYMENTS PAID TO THE TRUSTEE AND FROM THE VARIOUS FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. THE TRUST AGREEMENT PROVIDES THAT THE RECITALS OF FACTS, COVENANTS AND AGREEMENTS IN THE CERTIFICATE SHALL BE TAKEN AS STATEMENTS, COVENANTS AND AGREEMENTS OF THE LESSEE, AND THE TRUSTEE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF THE SAME.

The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

U.S. BANK [TRUST COMPANY,]
NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

Date of Execution: _____, 20__

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the Undersigned hereby sells, assigns and transfers unto:

(please print or typewrite name, address and social security or other identifying number of Transferee) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: _____ attorney, to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Notice: The signature to this assignment must correspond with the signature as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

SCHEDULE OF PRINCIPAL AND INTEREST COMPONENTS

Payment Date	Principal	Interest	Debt Service	Annual Debt Service
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EXHIBIT C
FORM OF PURCHASER LETTER

Municipal Finance Corporation
2111 Palomar Airport Road, #320
Carlsbad, CA 92011

City of Maywood
4319 E. Slauson Avenue
Maywood, CA 90270

U.S. Bank [Trust Company,] National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071

Raymond James & Associates, Inc.
[city, state, zip]

[\$[PAR AMOUNT]
City of Maywood Certificates of Participation,
2022 Series A

To the Addressees:

The undersigned is a duly authorized officer of _____, a [state/federal bank] organized and existing under the laws of the [State of STATE/United States of America] (the “Purchaser”). The undersigned acknowledges receipt, on behalf of Purchaser, of the fully executed [issuer name] (STATE) (the “Issuer”) [name of bonds], Series 20__, dated _____, 20__, in the principal amount of \$_____ (the “Bonds”). The undersigned represents, warrants, and covenants in conjunction with its purchase of the Bonds that:

- 1) Purchaser agrees to the terms and provisions set forth in the Bonds.
- 2) Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective financial obligations, such as the Bonds, without reliance upon others. In reaching the conclusion that it desires to acquire the Bonds, Purchaser has carefully evaluated all risks associated with this purchase and acknowledges that it is able to bear the economic risk of this purchase. Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”).
- 3) Purchaser presently intends to hold the Bonds to maturity, earlier redemption, or mandatory tender. Purchaser is purchasing the Bonds for its loan portfolio and is not purchasing the Bonds for resale or other disposition, and Purchaser has no present intention of reselling or

otherwise disposing of all or any part of the Bonds or dividing its interest therein; however, Purchaser reserves the right to sell participation interests in or otherwise dispose of the Bonds in the future as it chooses. Purchaser agrees that it will not sell, transfer, assign, or otherwise dispose of the Bonds or such ownership interests therein (1) unless it obtains from the purchaser and delivers to the Issuer either (a) an agreement similar in form and substance to this agreement, or (b) a written acknowledgement that such purchaser is either (i) an institutional “accredited investor” within the meaning of Rule 501 (a) promulgated under the 1933 Act, or (ii) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act; and (2) except in compliance with the applicable provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended (the “1934 Act”), any rules and regulations promulgated under either the 1933 Act or the 1934 Act, and the applicable securities laws of any other jurisdiction, and in connection therewith, Purchaser agrees that it shall furnish to any purchaser of the Bonds all information required by applicable law.

4) Purchaser, through its agents and employees, has investigated the Issuer[borrower] and its financial, statistical, demographic, and other information and acknowledges that it has been furnished with, or has been given access to, without restriction or limitation, all of the underlying documents in connection with this transaction, as well as all other information which a reasonable, prudent, and knowledgeable purchaser would desire in evaluating the purchase of the Bonds without reliance upon others. Further, Purchaser acknowledges that the Issuer and other knowledgeable parties have made available to it and its representatives the opportunity to ask any questions it may have, and receive satisfactory answers, concerning the Issuer and the security and the source of payment of the Bonds.

5) Purchaser has been informed and understands that no Official Statement has been prepared in connection with the sale and delivery of the Bonds, the Bonds are not and will not be rated, and that the Bonds are not subject to any continuing disclosure undertaking pursuant the SEC Rule 15c2-12.

6) Purchaser acknowledges that the Bonds do not constitute a debt or loan of the State of STATE or any political subdivision thereof. The Bonds represent a [pledge of the full faith and credit and taxing power of the Issuer, and that said pledge is on a parity with the Issuer’s outstanding _____ Bonds, Series 20__]. The security for payment of the Bonds is more particularly described in the Bonds and the [resolution/ordinance/indenture] of the Issuer authorizing the issuance of the Bonds.

7) The representations in this Letter shall not relieve the Issuer from any obligation to disclose any information required by the documents in connection with the issuance of the Bonds or required by applicable law.

8) This Letter will constitute an agreement with respect to the matters herein contained as of the date hereof. This Letter is expressly for your benefit and may not be relied upon by any other party.

9) Purchaser represents and warrants that the execution of this agreement has been duly authorized by the Purchaser and it has been duly executed by an authorized officer thereof.

Signed and delivered as of the date shown above.

PURCHASER FULL CORPORATE NAME

Signed By: _____
Print Name: _____
Print Title: _____

EXHIBIT D

FORM OF REQUISITION – COSTS OF DELIVERY FUND

U.S. Bank [Trust Company,] National Association, as Trustee
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services

RE: Disbursement from the Costs of Delivery Fund pursuant to the Trust Agreement, dated as of March 1, 2022 (the “Trust Agreement”) by and among the City of Maywood, as Lessee, the Municipal Finance Corporation, as Lessor, and the Trustee

REQUISITION NO. ____

The undersigned hereby states and certifies:

1. That he/she is the duly appointed, qualified and acting _____ of the Lessee, which is duly organized and existing under and by virtue of the Constitution and laws of the State of California, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;
2. That, pursuant to Article III of the Trust Agreement, the Trustee is hereby requested to disburse from the Costs of Delivery Fund established under the Trust Agreement to the designated payees the amounts set forth opposite such designations for the purposes set forth on Schedule I hereto;
3. That each obligation set forth herein is a proper charge against the Costs of Delivery Fund and has not been the basis of any prior disbursement;
4. That the amount of each disbursement requested herein is for payment authorized under the Trust Agreement;
5. That the amount remaining in the Costs of Delivery Fund after payment of the amount set forth in this Requisition is adequate under Trust Agreement;
6. That no Event of Default, and no event which with notice or lapse of time would constitute an Event of Default, has occurred and is continuing under the Lease;
7. That set forth opposite each obligation in Exhibit A attached hereto is a description of the nature of such obligation; and

8. That accompanying this Requisition is a bill or statement of account for each obligation included in Exhibit A.

Dated: _____, 20__

CITY OF MAYWOOD, as Lessee

By: _____
Authorized Signatory

AFTER RECORDATION PLEASE RETURN TO:

Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Russell C. Trice, Esq.

SITE LEASE

by and between

CITY OF MAYWOOD,

as Lessor

and

MUNICIPAL FINANCE CORPORATION,

as Lessee

Dated as of March 1, 2022

THIS IS A FINANCING DOCUMENT:
NO DOCUMENT TRANSFER TAX IS DUE
PURSUANT TO GOVERNMENT CODE SECTION 27383

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EXHIBIT A – LEGAL DESCRIPTION OF LEASED PROPERTY

SITE LEASE

THIS SITE LEASE, dated as of March 1, 2022 (this “Site Lease”), by and between the CITY OF MAYWOOD, a general law city duly organized and existing under and by virtue of the laws of the State of California (the “City”), as lessor (the “Lessor”), and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and validly existing under and by virtue of the laws of the State of California (the “Corporation”), as lessee (the “Lessee”);

WITNESSETH:

WHEREAS, the Corporation intends to assist the City to refund all or a portion of the Lessor’s outstanding Maywood Public Financing Authority 2008 Lease Revenue Refunding Bonds, Series A (Infrastructure Refinancing Project) (the “2008 Bonds”), and to lease certain Leased Property (as defined herein) to the City under a Lease Agreement, dated of even date herewith (the “Lease”), by and between the City and the Corporation, and the City proposes to enter into this Site Lease with the Corporation as a material consideration for the Corporation’s agreement to refund all or a portion of the Lessor’s outstanding 2008 Bonds;

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

SECTION 1. Definitions Unless the context otherwise requires, all capitalized terms used in this Site Lease and not defined herein shall for all purposes of this Site Lease have the meaning specified therefor in the Lease or in the Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among the City, the Corporation and U.S. Bank National Association, as trustee (the “Trustee”).

SECTION 2. Site Lease The City hereby leases to the Corporation and the Corporation hereby hires from the City, on the terms and conditions hereinafter set forth, the real property situated in the County of Los Angeles, State of California as more particularly described in Exhibit A attached hereto and made a part hereof (the “Leased Property”).

SECTION 3. Term The term of this Site Lease shall commence on the Closing Date and shall remain in effect until the term of the Lease expires as provided by Article IV, Section 4.2 thereof, provided, however, that if Lease Payments (as defined therein) due under the Lease remain unpaid at the expiration of the Lease term, or provision shall not have been made for their payment, then this Site Lease shall not terminate until the earlier of (i) _____ 1, 20__, or, if later, (ii) the date on which the \$[PAR AMOUNT] City of Maywood Certificates of Participation, 2022 Series A (the “Certificates”) have been paid in full.

SECTION 4. Rental The City acknowledges receipt from the Corporation as and for rental hereunder the sum of One Dollar (\$1.00), on or before the date of delivery of the Certificates to the Certificate holders thereof.

SECTION 5. Purpose The Corporation shall use the Leased Property solely for the purpose of leasing the Leased Property to the City pursuant to the Lease, and for such purposes as may be incidental thereto; *provided*, that in the event of default by the City under the Lease, the Corporation and its assigns may exercise the remedies provided in the Lease.

SECTION 6. Owner in Fee The City covenants, represents and warrants that it is the owner in fee of the Leased Property.

SECTION 7. Substitution of Leased Property From time to time, the City may authorize the Substitution of alternate real property or equipment for the Leased Property, the Removal of real property or equipment from the Leased Property or the addition of real property or equipment to the Leased Property pursuant to the Lease, with the prior written consent of the Certificate holders of the majority in aggregate principal amount of Certificates then Outstanding, only by providing the Trustee with a supplement to the Lease and the satisfaction of certain conditions contained in Article III, Section 3.8 of the Lease. In connection therewith, the City and the Corporation shall enter into a duly recorded amendment or supplement to this Site Lease. If the City effects a substitution of all or a portion of the Leased Property hereunder, all or a designated portion of the Leased Property formerly subjected to this Site Lease shall be released from the lien hereof upon receipt by the Trustee of (a) the written request of the City to that effect, and (b) a further opinion of Special Counsel to the effect that such release will have no material adverse effect upon the Certificate holders. After any such release, the term "Leased Property" shall be defined as the remaining portion of the Leased Property.

SECTION 8. Assignments and Subleases Unless the City shall be in default under the Lease, the Corporation may not assign its rights under this Site Lease or sublet the Leased Property, except as provided in the Lease and the Assignment Agreement, without the written consent of the City and the Certificate holders of the majority in aggregate principal amount of Certificates then Outstanding.

SECTION 9. Right of Entry The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 10. Termination The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the City.

SECTION 11. Default If the Corporation shall be in default in the performance of any obligation of its part to be performed under the terms of this Site Lease, which default continues for 30 Business Days following notice and demand for correction thereof to the Corporation, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; *provided*, that the Trustee acting on behalf of the Certificate holders shall be entitled to control and direct the enforcement of all rights and remedies granted to the City under this Site Lease; and *provided, however*, that so long as any of the Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Trust Agreement shall continue to be paid to the Trustee.

SECTION 12. Quiet Enjoyment The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease and the Trust Agreement.

SECTION 13. Waiver of Personal Liability All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation, as a separate legal entity, and the City hereby releases each and every member, director and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 14. Taxes The City 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 Leased Property (including both land and improvements).

SECTION 15. Eminent Domain If the whole or any part of the Leased Property shall be taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then-unpaid Certificates, including the unpaid principal and interest with respect to any then-Outstanding Certificates and any amounts due to the Trustee, and the balance of the award, if any, shall be paid to the City.

SECTION 16. Partial Invalidity If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 17. Notices All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the City, addressed to City of Maywood 4319 E. Slauson Avenue, Maywood, CA 90270, Attention: City Manager, or if to the Corporation, addressed to MUNICIPAL FINANCE CORPORATION 2111 Palomar Airport Road, #320, Carlsbad, CA 92011, Attention: _____, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 18. Amendment This Site Lease may not be altered, modified or amended except as permitted by Article X of the Trust Agreement or to permit the Substitution or Removal of Leased Property Components pursuant to Article III, Section 3.8 of the Lease and to modify the description of the site on which the Leased Property Components are located.

SECTION 19. No Merger of Interests The leasehold estates under this Site Lease and the Lease shall not merge, whether by the exercise of any right or remedy hereunder or thereunder, by operation of law, or otherwise.

SECTION 20. Section Headings All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 21. Compliance with Laws and Regulations

(a) The City has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates 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 Leased Property (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the City nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Leased Property has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported or disposed of 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 City, any of the Leased Property or the business operations conducted by the City thereon (collectively, "Hazardous Materials") on, from or beneath its Leased Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Material on, from or beneath the Leased Property, or (iii) stored any material amount of petroleum products at the Leased Property in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No part of the Leased Property is located in an area of high potential incidence of radon 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 Leased Property.

SECTION 22. Environmental Compliance

(a) The City shall not use or permit the Leased Property 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 Leased Property 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 Release or threat of Release of Hazardous Materials on, from or beneath the Leased Property or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the operation of a city facility, 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 City shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation, 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 Leased Property or other property, 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) hereof and only to the extent necessary to maintain the improvements on the Leased Property.

(b) The City shall comply with, and shall use its best efforts to cause any tenants, subtenants, agents, licensees, employees, contractors, and agents to comply with, all Environmental Regulations and shall keep the Leased Property free and clear from Hazardous Materials; *provided, however*, that notwithstanding that a portion of this covenant is limited to the City's use of its best efforts, the City shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the City'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 Leased Property as provided for in Exhibit A attached hereto, the City shall give prompt written notice thereof to the Corporation and the Certificate holders (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 whether any representation or warranty contained herein is not true or correct, the City shall defend, indemnify and hold harmless the Certificate holders and the Trustee, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section) consultants' fees, investigation and laboratory fees, liabilities, settlements (five Business Days' prior notice of which the Corporation, Trustee or the Certificate holders, as appropriate, shall have delivered to the City), 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 Leased Property, (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 Business Days' prior notice of which the Corporation, the Trustee or the Certificate holders, as appropriate, shall have delivered to the City), or governmental order relating to Hazardous Materials on, from or beneath

any of the Leased Property, (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 City is strictly liable under any Environmental Regulation, its obligation to the Trustee, the Corporation and the Certificate holders and the other indemnities 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 subsection (c) shall survive any foreclosure of the security interest in the Leased Property or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Certificates.

(d) The City 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 23. Execution This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease.

SECTION 24. Third-Party Beneficiaries The Certificate holders and the Trustee are each expressly recognized as third-party beneficiaries under this Site Lease.

[Remainder of page intentionally left blank.]

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

CITY OF MAYWOOD,
as Lessor

By: _____
[City Manager] [Director of Finance]

MUNICIPAL FINANCE CORPORATION,
as Lessee

By: _____
Treasurer

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) ss:

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

_____ [Seal]

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

[to come]

For conveyancing purposes only: APN ____ - ____ - ____



February 10, 2022

RE: **City of Maywood
Lease Financing**

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance ("FFPF") would like express its interest in underwriting and obtaining credit approval for the following Credit Facility to the City of Maywood, CA ("Borrower") based on the terms outlined below. This Letter is provided by First Foundation Public Finance for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of First Foundation Public Finance to Sponsor or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of First Foundation Public Finance shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of First Foundation Public Finance, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

STRUCTURE: Term

PURPOSE: Refinance existing 2008 Lease Revenue Bonds

MAX. LOAN AMT: \$2,750,000

INTEREST RATE: Tax-Exempt NBQ: 2.44% (3.29% taxable equivalent)

RATE LOCK: The Rate will be locked for 60-days. If the Credit Facility fails to close within this period, FFPF reserves the right to adjust the rate.

TERM: 16-years

REPAYMENT: Semi-annual interest and principal payments

AVERAGE LIFE: 9.4-years

PRE-PAYMENT: Repayable at 103% of par in years 1-2, declining to 102% in years 3-4, and 101% in years 5-6. Redeemable at par beginning in year 7.

COLLATERAL: Lease payments to be paid by the Borrower from any legally available funds. The Credit Facility will be secured with a leasehold interest in an essential asset of the Borrower (with insured value to meet or exceed the Loan Amount).

ADDITIONAL TERMS: Documents to be prepared by the Borrower's Bond Counsel for review by FFPF's counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP should not exceed \$12,500. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDICAC fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, taxability gross-up and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed above will be determined as part of FFPF's underwriting and credit approval process.

PDF's of all executed and other documents listed on the Closing Index shall be provided to FFPF no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

In an event of default, a default rate equal to the Interest Rate + 3.00% will be required.

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.

AGENDA REPORT

CITY OF MAYWOOD



AGENDA ITEM NO. 5.

DATE: March 9, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: ROXANNE DIAZ, CITY ATTORNEY

SUBJECT: DISCUSSION AND DIRECTION REGARDING FILLING THE CITY CLERK VACANCY PURSUANT TO GOVERNMENT CODE SECTION 36512 CAUSED BY A RESIGNATION

RECOMMENDATION:

Staff recommends that the City Council discuss the options outlined in the agenda report and provide Staff with direction.

BACKGROUND:

Elected City Clerk Flor Aguiluz submitted a letter of resignation to the City Manager as she will be moving out of the City of Maywood. The effective date of her resignation is March 1, 2022. Pursuant to Government Code Section 1770(c), City Clerk Aguiluz's resignation created a vacancy of the elected City Clerk position. Government Code Section 36512(b) outlines the options for the City Council with regard to the vacancy.

DISCUSSION:

Government Code 36512(b) is the relevant code section and provides as follows: "If a vacancy occurs in an elective office provided for in this chapter, the council shall, within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy." The 60th day following the vacancy date is April 30, 2022.

The following outlines the process to be followed for either an appointment or special election.

Process for Making an Appointment

Once the office is effectively vacant, the City Council has 60 days from the date of the vacancy to appoint a replacement City Clerk. State law does not specify a particular process for such selection and there are a variety of ways in which an appointee can be selected.

For example, the City Council could, but it is not required to, solicit resumes and statements of interest from residents who wish to be considered. The City Council could designate an ad hoc committee of the City Council to review these resumes and make a recommendation to the entire City Council. The City Council could also decide to have the entire City Council review the resumes and statements. In that case, the review of the resumes and statements would be conducted at a duly noticed meeting in accordance with the Brown Act. The City Council could, but is not required to, have interviews of the applicants, but those interviews would also occur in open session. Alternatively, the City Council can seek out potential replacements without

the formality of an application process or if it desires to use an ad hoc committee process, it may direct the ad hoc committee to do so and the ad hoc committee can make a recommendation to the entire City Council.

It should be noted that the above are suggestions that have been followed by other cities when faced with a vacancy on their city council—the process for filling the City Clerk position is the same. The City Council is not obligated to follow the procedures outlined above, nor is the City Council obligated to appoint a replacement from among the persons who filed resumes or statements or from those recommended by an ad hoc committee, should the Council use an ad hoc committee. Regardless of the method, if the City Council desires to appoint, the City Council should discuss the manner in which it desires to solicit a potential appointee and provide direction to City Staff.

The length of office for an appointed City Clerk is also provided for in Government Code Section 36512. In this case, because the City Clerk resigned in the first half of her term of office and at least 130 days prior to the next general municipal election, Government Code Section 36512(b)(2)(A) states that the appointed City Clerk shall hold office until the next general municipal election, which is November 8, 2022. At that time, the City Council would be required to hold a special election to fill the position and that person would hold office for the remainder of the City Clerk term, which is until November 2024.

Calling a Special Election

Alternatively, the City Council could choose to call an election to fill the remaining portion of City Clerk Aguiluz's term. Under Government Code Section 36512(b), that election shall be held on the next "regularly established election date" at least 114 days after the vacancy date. Under Elections Code Section 1000, the next "regularly established election date" following the vacancy date is November 8, 2022. The person elected at the election shall serve the remainder of City Clerk Aguiluz's term until the election in November of 2024. If the City Council chooses to call a special election, the City Clerk position would remain vacant until then.

In conclusion, any decision must be made by April 30, 2022. There is no cost if the City Council chooses to appoint a City Clerk until the office is filled by a special election to be held with the next general municipal election in November 2022. At that time, it is expected the cost would be minimal as the City is already having a city council election. Alternatively, the City Council could leave the office vacant and hold a special election in November 2022. The person elected would serve the remaining term until 2024.

LEGAL REVIEW:

The City Attorney drafted this report.

FISCAL IMPACT:

There is no fiscal impact involved with this item.

ATTACHMENT(S)