

EXECUTION VERSION

Recording Requested By:)
Moraga-Orinda Fire Protection District)

When Recorded Mail To:)

Meyers Nave)
575 Market Street, Suite 2080)
San Francisco, California 94105)
Attn: Henry Har, Esq.)

This transaction is exempt from California documentary transfer tax pursuant to section 11929 of the California Revenue and Taxation Code. This document is recorded for the benefit of the Moraga-Orinda Fire Protection District, and recording is fee-exempt under section 27383 of the Government Code. (Lease less than 35 years.)

LEASE/PURCHASE AGREEMENT

Dated as of May 1, 2016

by and between the

MORAGA-ORINDA FIRE PROTECTION DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION

and the

MORAGA-ORINDA FIRE PROTECTION DISTRICT

relating to

**MORAGA-ORINDA FIRE PROTECTION DISTRICT
2016 LEASE/PURCHASE**

Table of Contents

ARTICLE I DEFINITIONS; OTHER PROVISIONS OF GENERAL APPLICABILITY	1
Section 1.1. Definitions	1
Section 1.2. Notices	5
Section 1.3. Successors and Assigns	6
Section 1.4. Benefits of Agreement.....	6
Section 1.5. Amendments.....	6
Section 1.6. Effect of Headings and Table of Contents	6
Section 1.7. Validity and Severability	6
Section 1.8. Governing Law.....	7
Section 1.9. Execution in Counterparts	7
ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES	7
Section 2.1. Representations, Covenants and Warranties of the District.....	7
Section 2.2. Representations, Covenants and Warranties of the Corporation	10
ARTICLE III LEASE OF LEASED PROPERTY	11
Section 3.1. Lease of Leased Property	11
Section 3.2. No Merger of Estates	11
Section 3.3. Lease Term; Occupancy	11
Section 3.4. Modifications to the Leased Property.....	11
Section 3.5. Title to the Leased Property	12
Section 3.6. Actions in the Event of Uninsured Casualty	12
Section 3.7. Substitution, Addition or Deletion	12
ARTICLE IV RENTAL PAYMENTS	14
Section 4.1. Rental Payments.....	14
Section 4.2. Allocation of Rental Payments.....	14
Section 4.3. No Offsets.....	15
Section 4.4. Net Lease	15
Section 4.5. Covenant to Budget and Appropriate	15
Section 4.6. Abatement of Rental	15
Section 4.7. No Termination Upon Damage or Destruction.....	15
Section 4.8. Contributions/Advances	15
Section 4.9. Prepayment.....	16
ARTICLE V COVENANTS.....	16
Section 5.1. Quiet Enjoyment	16
Section 5.2. Right of Entry.....	16
Section 5.3. Maintenance of the Leased Property by District.....	16
Section 5.4. Taxes and Other Governmental Charges; Utility Charges; Contest of Charges	17
Section 5.5. Liens	17
Section 5.6. Environmental Covenants	18
Section 5.7. Assignment and Subleasing by District.....	18
Section 5.8. District Consent to Assignments.....	19
Section 5.9. Corporation’s Disclaimer of Warranties	19

Section 5.10.	Corporation and Lender Not Liable; Indemnification of the Corporation and the Lender	19
Section 5.11.	Federal Income Tax Covenants.....	20
Section 5.12.	Further Assurances.....	20
Section 5.13.	Financial Statements.....	20
Section 5.14.	Additional Lease Financings.....	20
ARTICLE VI INSURANCE; EMINENT DOMAIN		21
Section 6.1.	Insurance Coverage	21
Section 6.2.	Alternative Risk Management	21
Section 6.3.	General Provisions.....	21
Section 6.4.	Advances.....	22
Section 6.5.	Damage, Destruction, and Condemnation.....	22
ARTICLE VII DEFAULT AND REMEDIES		22
Section 7.1.	Events of Default	22
Section 7.2.	Remedies on Default	23
Section 7.3.	No Acceleration.....	25
Section 7.4.	No Remedy Exclusive	25
Section 7.5.	Corporation Defaults; District Remedies.....	25
Section 7.6.	Attorneys' Fees.....	26
Section 7.7.	No Additional Waiver	26
Section 7.8.	Application of Amounts Collected	26
ARTICLE VIII MISCELLANEOUS		
Section 8.1.	Binding Effect	26
Section 8.2.	Severability	26
Section 8.3.	Applicable Law	26
Section 8.4.	Interested Parties.....	26
Section 8.5.	No Sovereign Immunity	27
Section 8.6.	Judicial Reference	27
Section 8.7.	Execution in Counterparts.....	27
EXHIBIT A PROPERTY DESCRIPTION.....		A-1
EXHIBIT B SCHEDULE OF RENTAL PAYMENTS		B-1

LEASE/PURCHASE AGREEMENT

This LEASE/PURCHASE AGREEMENT is dated and entered into as of May 1, 2016 (this "Lease/Purchase Agreement"), by and between the MORAGA-ORINDA FIRE PROTECTION DISTRICT PUBLIC FACILITIES FINANCING CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), as lessor hereunder, and the MORAGA-ORINDA FIRE PROTECTION DISTRICT, a fire protection district organized and existing under the laws of the State of California (the "District"), as lessee hereunder.

WITNESSETH:

WHEREAS, Section 13861(b) of the Health and Safety Code of the State of California authorizes the District to manage, sell, lease, or otherwise dispose of its property as the interests of its inhabitants require, which include providing for the financing and refinancing of facilities for the use of the District;

WHEREAS, the District wishes to finance the construction, renovation and equipping of Station 43 in Orinda, California and delivery costs relating thereto, and pursuant to the request of the District, the Corporation will assist the District in the financing; and

WHEREAS, such financing will be accomplished by (i) the Corporation's entering into a site lease (the "Site Lease") with the District, whereby the District will lease property (the "Leased Property") to the Corporation in exchange for an advance rental, (ii) the Corporation's leasing the Leased Property back to the District pursuant to a leaseback agreement (the "Lease/Purchase Agreement"), under which the District will be obligated to make Rental Payments (as such term is defined in the Lease/Purchase Agreement) to the Corporation; and (iii) the Corporation's assignment without recourse of all rights to receive such Rental Payments to JPMorgan Chase Bank, N.A., a national banking association (the "Lender"), in exchange for an amount equal to the advance rental payable by the Corporation under the Site Lease, pursuant to an assignment agreement (the "Assignment Agreement"); and

WHEREAS, the District is authorized to enter into this Lease/Purchase Agreement for the purposes and subject to the terms and conditions set forth herein; and

WHEREAS, the Corporation is a nonprofit public benefit corporation duly organized under the laws of the State of California; and

WHEREAS, the Corporation is authorized to provide financial assistance to the District by constructing, improving, acquiring, financing and leasing various public facilities, land and equipment for the use, benefit and enjoyment of the public served by the District or any other purpose incidental thereto;

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

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions and Rules of Construction. For all purposes of this Lease/Purchase Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

(A) The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

(B) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(C) All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

(D) All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Lease/Purchase Agreement as originally executed.

(E) The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Lease/Purchase Agreement as a whole and not to any particular Article, Section, or other subdivision.

(F) Words of any gender shall mean and include words of all other genders.

Applicable Environmental Laws means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (1) the existence, cleanup, and/or remedy of contamination on property;
- (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (3) the control of hazardous wastes; or
- (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

Assignment Agreement means the assignment agreement dated as of May 1, 2016, between the Corporation and the Lender pursuant to which the Corporation assigns certain of its rights under the Site Lease and the Lease/Purchase Agreement to the Lender.

Board means the Board of Directors of the Moraga-Orinda Fire Protection District.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

Code means the Internal Revenue Code of 1986 and the regulations applicable to or issued thereunder.

Corporation means Moraga-Orinda Fire Protection District Public Facilities Financing Corporation, or its successors or assigns as lessee under the Site Lease and lessor hereunder.

Closing Date means May 25, 2016.

Delivery Costs means all items of expense directly or indirectly payable by or reimbursable to the District and related to the original authorization, execution, sale, and delivery of the Lease/Purchase Agreement, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, legal fees and charges, fees and disbursements of consultants and professionals, reporting fees payable to the California Debt and Investment Advisory Commission, and any other cost, charge, or fee in connection with the original delivery of the Lease/Purchase Agreement.

District means the Moraga-Orinda Fire Protection District.

Effective Interest Rate means the rate of interest per annum specified on Exhibit B.

Event of Default means any of the events specified in Section 7.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

Funding Date means the date payment is made by the Corporation to or for the account of the District under the Site Lease.

Governmental Corporation means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, District or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

Hazardous Substance means any substance that shall, at any time, be listed as "hazardous" or "toxic" in any Applicable Environmental Law or that has been or shall be determined at any time

by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Leased Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.).

Leased Property means Station 42 and Station 44 and the real property immediately under said buildings and the improvements thereon located at 555 Moraga Road, Moraga, CA 94556 and 295 Orchard Road, Orinda, CA 94563, respectively, on a portion of the real property of the District described in Exhibit A attached to this Lease/Purchase Agreement, together with all present and future improvements located on the real property immediately thereunder and furniture installed or located therein.

Lease/Purchase Agreement means this Lease/Purchase Agreement between the Corporation and the District, dated as of May 1, 2016, wherein the Corporation leases the Leased Property to the District, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof.

Lender means JPMorgan Chase Bank, N.A., a national banking association, or its successors or assigns as assignee of the Corporation under the Assignment Agreement.

Material Adverse Effect means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Lease/Purchase Agreement or to meet or perform its obligations under this Lease/Purchase Agreement on a timely basis, (c) the validity or enforceability of this Lease/Purchase Agreement, or (d) the exclusion of the interest component of the Rental Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes, and shall include, amongst other events or occurrences, any material, adverse change to the rating by Moody's Investors Service, Inc., Standard & Poor's, a Standard & Poor's Financial Services LLC business, or Fitch Ratings, Inc. of any debt securities issued by the District.

Material Litigation means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Corporation, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seek to restrain or enjoin any of the transactions contemplated by this Lease/Purchase Agreement, or (iii) may adversely affect (A) the exclusion of the interest component of the Rental Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Lease/Purchase Agreement.

Net Proceeds means the amount remaining from the gross proceeds of any insurance claim or condemnation award made in connection with the Leased Property, after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

Payment Date means April 1 and October 1 in each year, commencing October 1, 2016.

Permitted Encumbrances means (1) liens for general ad valorem taxes and assessment, if any, not then delinquent, or that the District may, pursuant to this Lease/Purchase Agreement, permit to remain unpaid, (2) easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions that exist of record as of the date of recordation of this Lease/Purchase Agreement and that the District certifies in writing will not materially impair the use of the Leased Property, (3) the Site Lease, as it may be amended from time to time, (4) the Assignment Agreement, as it may be amended from time to time, (5) any right or claim of any mechanic, laborer, materialman, supplier, or vendor not filed or perfected in the manner prescribed by law, (6) easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions established following the date of recordation of this Lease/Purchase Agreement and to which the Corporation consents in writing, and (7) liens relating to special assessments levied with respect to the Leased Property.

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

Rental Payments means the Rental Payments payable by the District pursuant to the provisions of the Lease/Purchase Agreement.

Site Lease means the Site Lease between the District and the Corporation, dated as of May 1, 2016, wherein the District leases the Leased Property to the Corporation, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof and thereof.

Statement, Certificate, Request, Requisition, and Order of the District mean, respectively, a written statement, certificate, request, requisition, or order signed in the name of the District by the Fire Chief or the Administrative Services Director, and their designees, or any other person authorized by the District to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Tax Certificate means the tax certificate delivered by the District at the time of the execution and delivery of this Lease/Purchase Agreement, as the same may be further amended or supplemented in accordance with its terms.

Section 1.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

If to the District:

Moraga-Orinda Fire Protection District
1280 Moraga Way
Moraga, CA 94556
Attention: Fire Chief

If to the Corporation: Moraga-Orinda Fire Protection District
Public Facilities Financing Corporation
1280 Moraga Way
Moraga, CA 94556
Attention: Executive Director

If to the Lender: JPMorgan Chase Bank, N.A.
7600 Dublin Blvd.
Dublin, CA 94568
Attention: Stuart J. Bessieres, Vice President

The District, the Corporation, and the Lender may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

Section 1.3. Successors and Assigns. Whenever in this Lease/Purchase Agreement either the District, the Corporation, or the Lender is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Lease/Purchase Agreement contained by, on behalf of, or for the benefit of the District, the Corporation, or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.4. Benefits of Agreement. Nothing in this Lease/Purchase Agreement expressed or implied is intended or shall be construed to give to any person other than the District, the Corporation and the Lender any legal or equitable right, remedy, or claim under or in respect of this Lease/Purchase Agreement or any covenant, condition, or provision herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Corporation, and the Lender as the Corporation's assignee.

Section 1.5. Amendments. This Lease/Purchase Agreement may be altered, amended, or modified in writing as may be mutually agreed by the Corporation and the District, subject to the prior written approval of the Lender.

Section 1.6. Effect of Headings and Table of Contents. 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 Lease/Purchase Agreement.

Section 1.7. Validity and Severability. If any one or more of the provisions contained in this Lease/Purchase Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Lease/Purchase Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease/Purchase Agreement, and this Lease/Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District and the Corporation hereby declare that they would have adopted this Lease/Purchase Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one

or more Sections, paragraphs, sentences, clauses, or phrases of this Lease/Purchase Agreement may be held illegal, invalid, or unenforceable.

If for any reason it is held that any of the covenants and conditions of the District hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease/Purchase Agreement is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the District annually in consideration of the right of the District to possess, occupy, and use the Leased Property, and all of the rental and other terms, provisions, and conditions of this Lease/Purchase Agreement, except to the extent that such terms, provisions, and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 1.8. Governing Law. This Lease/Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 1.9. Execution in Counterparts. This Lease/Purchase Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Corporation as follows:

(a) Due Organization and Existence. The District is a fire protection district organized and existing under the laws of the State.

(b) Authorization: Enforceability. The Constitution and laws of the State authorize the District to enter into the Site Lease and this Lease/Purchase Agreement and to enter into the transactions contemplated by and to carry out the District's obligations under all of the aforesaid agreements, and the District has duly authorized and executed all of the aforesaid agreements. This Lease/Purchase Agreement and Site Lease constitute the legal, valid and binding obligations of the District enforceable in accordance with their respective terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Violation of Law or Breach of Contract. The execution and delivery of the Site Lease and this Lease/Purchase Agreement and compliance with the provisions thereof and hereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or administrative decree to which the District is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the District is a party or is otherwise subject or bound.

(d) No Adverse Litigation. No litigation is pending before any court or administrative agency or, to the knowledge of the District, threatened against the District (i) regarding the Leased Property or the District's use of the Leased Property for the purposes contemplated by the Site Lease or the Lease/Purchase Agreement or (ii) that will materially adversely affect the ability of the District to perform its obligations under the Site Lease and this Lease/Purchase Agreement.

(e) No Defaults. The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease/Purchase Agreement, or under any of its bonds, notes, or other debt obligations.

(f) Fee Title; Encumbrances. The District is the owner in fee of title to the Leased Property. No lien or encumbrance on the Leased Property materially impairs the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held. The Site Lease and this Lease/Purchase Agreement are the only leases that encumber the Leased Property.

(g) Use of the Leased Property. During the term of this Lease/Purchase Agreement, the Leased Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(h) Current Compliance. The District is in all material respects in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to the Leased Property.

(i) Hazardous Substances. To the knowledge of the District, the Leased Property is free of all Hazardous Substances.

(j) Flooding Risk. To the knowledge of the District, the Leased Property is not located in a flood hazard area.

(k) Value of Leased Property. As of May 1, 2016, the insured real-property value of the Leased Property is \$4,533,736.

(l) Fair Rental Value. The Leased Property has a fair rental value, for each Rental Period and in the aggregate, that is at least equal to the Rental Payments for each Rental Period and in the aggregate.

(m) Financial Condition. The financial statements of the District for the year ended June 30, 2015, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the District's financial condition as of the date of the statements. There has been no material adverse change in the District's financial condition subsequent to June 30, 2015.

(n) Role of the Lender. The District acknowledges that: (i) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the

District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the District on other matters); (ii) the Lender is acting solely as an assignee of the Corporation's interests in the Lease/Purchase Agreement for its own account and not as a fiduciary for the District or in the capacity of financial advisor or placement agent with respect to the Lease/Purchase Agreement or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor; (iii) the Lender has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District (including to any financial advisor or placement agent engaged by the District) with respect to its purchase of the Corporation's interests in the Lease/Purchase Agreement; and (iv) each of the District, its financial advisor, and its placement agent (if any) will seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) with respect to the execution and delivery of this Lease/Purchase Agreement from its financial, legal, and other advisors (and not the Lender) to the extent that the District, its financial advisor or its placement agent (if any) desires, should, or needs to obtain such advice. The District acknowledges that the Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the District's financial advisor or placement agent (if any), or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the District's financial advisor or placement agent, with respect to any such matters.

(o) Essential Facilities. The Leased Property is essential to the fulfillment of the District's governmental purposes.

(p) Useful Life. The Leased Property has a remaining useful life that extends to at least April 1, 2031.

(q) No Material Adverse Change. Other than as described in the Audited Financial Report for fiscal year 2014-15 and otherwise disclosed to the Lender, (i) there has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect; (ii) the District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; or (iii) the District has not (A) incurred any material indebtedness on, or lease obligations payable from, its general fund, other than the Rental Payments, and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person.

(r) Accuracy of Information. All information, reports and other papers and data furnished by the District to the Lender were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Lender a true and accurate knowledge of the subject matter and were provided in expectation of the Lender's reliance thereon in entering into the transactions contemplated by this

Lease/Purchase Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Lender or in other such information, reports, papers and data or otherwise disclosed in writing to the Lender prior to the Closing Date. Any financial, budget and other projections furnished to the Lender by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Lender in connection with the negotiation, preparation or execution of this Lease/Purchase Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(s) Notices. During the Term of this Lease/Purchase Agreement, the District shall provide to the Lender: (i) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an event of default under this Lease/Purchase Agreement, together with a detailed statement by a representative of the District of the steps being taken by the District to cure the effect of such Event of Default; (ii) prompt written notice of any Material Litigation or event causing a Material Adverse Effect, or any investigation, inquiry or similar proceeding by any Governmental Corporation; and (iii) with reasonable promptness, such other information respecting the District, and the operations, affairs and financial condition of the District as the Lender may from time to time reasonably request.

(t) Bank Qualified. The District certifies that it has designated this Lease/Purchase Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.

Section 2.2. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the District as follows:

(a) Valid Existence. The Corporation has been duly organized and is validly existing as a nonprofit public benefit corporation organized and existing under the laws of the State.

(b) Power to Enter into Agreements. The Corporation is authorized under the terms of its articles of incorporation and bylaws to enter into the Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement and perform all of its obligations thereunder and hereunder.

(c) Due Authorization. The Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement have been duly authorized by all necessary action on the part of the Corporation.

(d) Enforceability of Agreements. The Corporation represents, covenants, and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement (except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles).

ARTICLE III

LEASE OF LEASED PROPERTY

Section 3.1. Lease of Leased Property. The Corporation hereby demises and leases to the District, and the District hereby rents and hires from the Corporation, the Leased Property in accordance with the provisions of this Lease/Purchase Agreement, to have and to hold for the term of this Lease/Purchase Agreement.

Section 3.2. No Merger of Estates. The leasing by the Corporation to the District of the Leased Property pursuant to this Lease/Purchase Agreement shall not effect or result in a merger of the District's leasehold estate pursuant hereto and its fee estate. The Corporation shall continue to have and hold a leasehold estate in the Leased Property pursuant to the Site Lease throughout the term thereof and the term of this Lease/Purchase Agreement. As to the Leased Property, this Lease/Purchase Agreement shall be deemed and constitute a sublease.

Section 3.3. Lease Term; Occupancy.

(a) Term. The term of this Lease/Purchase Agreement shall commence on the Funding Date and shall end on April 1, 2031, unless such term is extended or sooner terminated as hereinafter provided. If on April 1, 2031, the rental payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental abatement insurance or other sources, or the District shall have defaulted in its payment of rental hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease/Purchase Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, but not to exceed ten (10) years. When the aggregate rental paid under this Lease/Purchase Agreement equals the total rental originally scheduled herein, and the District has paid and performed in full all of its other obligations under this Lease/Purchase Agreement, the term of this Lease/Purchase Agreement shall end ten (10) days thereafter or ten (10) days after written notice by the District to the Corporation, whichever is earlier.

(b) Occupancy. The District will take possession of the Leased Property upon commencement of the term of this Lease/Purchase Agreement.

Section 3.4. Modifications to the Leased Property. Subject to Section 5.5 (Liens) hereof, the District shall, at its own expense, have the right to remodel, make alterations or improvements to, or attach fixtures, structures, or signs to the Leased Property if the alterations, improvements, fixtures, structures, or signs are necessary or beneficial for the use of the Leased

Property by the District, provided, however, that such actions by the District shall not materially adversely affect the value of the Leased Property.

Section 3.5. Title to the Leased Property. Upon the termination or expiration of the term of this Lease/Purchase Agreement, title to the Leased Property shall vest in the District.

Section 3.6. Actions in the Event of Uninsured Casualty.

(a) Substitution of Property. If the Leased Property is damaged or destroyed owing to a risk (such as earthquake) against which the District is not insured and for which rental abatement insurance is not available, the District shall substitute under the Site Lease and this Lease/Purchase Agreement one or more parcels of unimpaired and unencumbered real property the insured value of which is at least one hundred ten percent (110%) of the unpaid principal components of the Rental Payments, unless Lender shall consent, in writing, to a lesser value.

(b) Refinancing. If the District is unable to substitute real property for the Leased Property in the amount required under subsection A above, the District shall use its best efforts to prepay principal components of the Rental Payments such that the insured value of the undamaged Leased Property is at least one hundred ten percent (110%) of the remaining unpaid principal components of the Rental Payments.

(c) Subordination. If the District is unable to implement either (A) or (B) above, the District and the Corporation hereby agree that the obligations evidenced by this Lease/Purchase Agreement shall be the senior encumbrance on the Leased Property and any future encumbrance, including without limitation any lease, mortgage, deed of trust or security interest, shall be subordinate to this Lease/Purchase Agreement and there shall be no payments during the Lease Term on the obligations evidenced or secured thereby until all of the scheduled Rental Payments set forth on Exhibit B hereto have been paid in full.

Section 3.7. Substitution, Addition or Deletion. The District and the Corporation may substitute alternate real property for any real property that constitutes the Leased Property, or add or delete real property that constitutes the Leased Property for purposes of the Site Lease and this Lease/Purchase Agreement, or alter the term of the Site Lease and this Lease/Purchase Agreement as to any portion of the property constituting the Leased Property with the prior written consent of the Lender, which consent shall be conditioned upon the Lender's credit review and approval of the proposed substitution, addition or deletion to the Leased Property. Any substitution, addition, or deletion of real property hereunder shall occur only after the District shall have filed with the Lender all of the following:

(a) Documents. Executed copies of the amended Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement containing the amended description of the leased property.

(b) Recording. A Statement of the District certifying that the amended Site Lease, Lease/Purchase Agreement, and Assignment Agreement, or memoranda thereof, have been duly recorded in the official records of the

(c) Insured Value. Evidence showing that the insured value of the property that will constitute the leased property after such substitution, addition, deletion, or change of term will be at least equal to 110% of the outstanding principal component of Rental Payments, unless Lender consented, in writing, to a lesser value.

(d) Fair Rental Value. A Statement of the District certifying that the property that will constitute the leased property after the substitution, addition, deletion, or change of term has a fair rental value, for each Rental Period and in the aggregate, that is at least equal to the remaining Rental Payments for each Rental Period and in the aggregate.

(e) No Prior Liens. A Statement of the District certifying that the property that will constitute the leased property after the substitution, addition, deletion, or change of term is not subject to any liens securing monetary obligations (other than Permitted Encumbrances), unless such liens are subordinate to the interest of the Corporation created by this Lease/Purchase Agreement.

(f) Essential Leased Property; No Abatement. A Statement of the District certifying that the property that will constitute the leased property after the substitution, addition, deletion, or change of term (i) is essential to the fulfillment of the District's governmental purposes and (ii) is not subject to an event giving rise to an abatement of Rental Payments under Section 4.6 hereof.

(g) No Effect on Occupancy; Useful Life. A Statement of the District certifying that such substitution, addition, deletion, or change of term does not adversely affect the District's use and occupancy of the Leased Property and that the Leased Property, as amended, have a useful life extending at least to the date of termination of this Lease/Purchase Agreement.

(h) Opinion of Counsel. An Opinion of Counsel stating that the amendments to the Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement that implement the substitution, addition, deletion, or change of term (1) are authorized or permitted by and comply with the Constitution and laws of the State of California; and (2) upon execution and delivery will be valid, binding, and enforceable obligations of the District and the Corporation.

(i) Upon the submission to the Lender of the information set forth above following designation of the alternate property, the Lender may initially request additional evidence or other such information from the District regarding the insurable value of the property that will constitute the leased property after the substitution, addition, deletion, or change of term, indicating that such value is in excess of the then unpaid principal component of the Rental Payments. The District shall promptly respond to any such request from the Lender for additional information. If further evidence and information is necessary to establish the insurable value of the property, an independent appraisal may be required by the Lender, and in such event, the District will provide such independent appraisal to the Lender upon request at the Lender's expense.

(j) Such other information, documents, and instruments as the Lender shall reasonably request, including (if requested and at the Lender's expense) an independent

appraisal or evidence of the insurable value of the property that will constitute the leased property after the substitution, addition, deletion, or change of term indicating that such value is in excess of the then unpaid principal component of the Rental Payments.

ARTICLE IV

RENTAL PAYMENTS

Section 4.1. Rental Payments. The District agrees to pay to the Corporation, its successor or assigns, as rental for the use of the Leased Property (subject to the provisions of Section 4.6 (Abatement of Rental) hereof) the following amounts, at the following times, in the manner hereinafter set forth:

(a) Amount and Timing. The District shall pay rental payments, comprising principal and interest components, in installments of the amounts and at the times set forth in the Schedule of Rental Payments attached as Exhibit B hereto. The interest components of the Rental Payments shall be paid by the District as and constitute interest paid on the principal components of the Rental Payments.

(b) Extension of Lease Term. If the term of this Lease/Purchase Agreement shall have been extended pursuant to Section 3.3 (Lease Term; Occupancy) hereof because of an abatement of rental, Rental Payments shall continue to be due as described herein. Rental Payment installments shall continue to be payable in installments on April 1 and October 1 in each year, continuing to and including the date of termination of this Lease/Purchase Agreement. Upon such extension of this Lease/Purchase Agreement, the principal and interest components of the Rental Payments shall be established so that the principal components will, in the aggregate, be sufficient to pay all unpaid principal components and the interest components will be sufficient to pay all unpaid interest components plus interest on the extended principal components at the Effective Interest Rate, computed on the basis of a 360-day year composed of twelve 30-day months.

(c) Rental Period. Each payment of Rental Payments shall be for the use of the Leased Property for the six-month period ending on the Payment Date.

(d) Medium and Place of Payment. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Lender, as assignee of the Corporation.

(e) Rate on Overdue Payments. Any Rental Payment installment that is not paid when due shall bear interest at the rate of twelve percent (12%), or such lesser rate allowed by law, from the date the installment was due hereunder until the same shall be paid.

Section 4.2. Allocation of Rental Payments. All Rental Payments received shall be applied first to the interest components of the Rental Payments due hereunder, then to the principal components of the Rental Payments due hereunder, but no such application of any

payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Section 4.3. No Offsets. Notwithstanding any dispute between the Corporation and the District, the District shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. If it is determined that the District was not liable for the Rental Payments or any portion thereof, the payments or excess payments, as the case may be, shall, at the option of the District, be credited against subsequent Rental Payments due hereunder or be refunded at the time of such determination.

Section 4.4. Net Lease. This Lease/Purchase Agreement shall be deemed and construed to be a “net-net-net lease” and the District hereby agrees that the Rental Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges, or setoffs whatsoever.

Section 4.5. Covenant to Budget and Appropriate. The District covenants and agrees to take such action as may be necessary to include all Rental Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Rental Payments. Annually within thirty (30) days of the adoption of the budget, the District will furnish to the Lender a Certificate of the District certifying that such budget contains the necessary appropriation for all Rental Payments. If requested in writing by the Lender, the District will furnish a copy of such budget.

The agreements and covenants on the part of the District 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 District 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 District to carry out and perform the agreements and covenants in this Lease/Purchase Agreement agreed to be carried out and performed by the District.

Section 4.6. Abatement of Rental. Rental Payments shall be abated proportionately during any period in which, by reason of damage to, destruction of, taking under the power of eminent domain (or sale to any entity threatening the use of such power) of, or title defect with respect to any portion of the Leased Property, there is substantial interference with the use and possession of the Leased Property or a portion thereof. The amount of abatement shall be such that the resulting Rental Payments represent fair consideration for the use and possession of the portion of the Leased Property not so interfered with. Such abatement shall commence with the date of such interference and shall end only with cure thereof.

Section 4.7. No Termination Upon Damage or Destruction. The District waives the benefits of Civil Code Sections 1932, subd. 2, and 1933, subd. 4, and any and all other rights to terminate this Lease/Purchase Agreement by virtue of any damage to or destruction of the Leased Property.

Section 4.8. Contributions/Advances. Nothing contained in this Lease/Purchase Agreement shall prevent the District from making contributions or advances to the Corporation from time to time for any purpose now or hereafter authorized by law, including the making of

repairs to, or the restoration of, the Leased Property in the event of damage to or the destruction of the Leased Property.

Section 4.9. Prepayment. On any date on or after April 1, 2020, the District may prepay its obligations hereunder in whole by paying to the Lender a prepayment price equal to 100% of the unpaid principal components of the Rental Payments plus interest thereon from the last Payment Date to the date fixed for prepayment at the Effective Interest Rate, computed on the basis of a 360-day year composed of twelve 30-day months, plus the amount of any interest components of the Rental Payments that were abated and that have not been otherwise paid from rental abatement insurance or other sources or paid during an extension of the lease term. The District shall, at least thirty (30) days prior to such prepayment, notify the Lender of its intention to prepay its obligations hereunder, unless the Lender shall agree to a shorter notification period.

The District agrees that, if following such prepayment the Leased Property is damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Rental Payments and shall not be entitled to any reimbursement of such Rental Payments. Upon such prepayment, and satisfaction of all other obligations of the District hereunder, the term of this Lease/Purchase Agreement shall terminate.

ARTICLE V

COVENANTS

Section 5.1. Quiet Enjoyment. The Corporation hereby covenants to provide the District during the term of this Lease/Purchase Agreement with quiet use and enjoyment of the Leased Property and the District shall during the term of this Lease/Purchase Agreement peaceably and quietly have, hold, and enjoy the Leased Property without suit, trouble, or hindrance from the Corporation, so long as the District observes and performs its covenants and agreements and is not in default hereunder.

Section 5.2. Right of Entry. Upon reasonable notice and in accordance with District policies regarding entry into District sites, the Corporation and its assignees shall have the right (but not the duty) to enter the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Corporation's or the District's rights or obligations under this Lease/Purchase Agreement, and (c) for all other lawful purposes.

Section 5.3. Maintenance of the Leased Property by District. The District agrees that, at all times during the term of this Lease/Purchase Agreement, the District will, at the District's own cost and expense, maintain, preserve, and keep the Leased Property and every portion thereof in good repair, working order, and condition and that the District will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals.

Section 5.4. Taxes and Other Governmental Charges; Utility Charges; Contest of Charges.

(a) Taxes and Other Governmental Charges on the Leased Property. The parties to this Lease/Purchase Agreement contemplate that the Leased Property will be used for governmental purposes of the District and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to property. In the event that the use, possession, or acquisition by the District, the Corporation, or the Lender of the Leased Property, or the assignment of the Corporation's interests therein to the Lender, is found to be subject to taxation in any form, the District will pay during the term of this Lease/Purchase Agreement, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property, and any equipment or other property acquired by the District in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property; provided that, with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are accrued during such time as this Lease/Purchase Agreement is in effect.

(b) Utility Charges. The District shall pay or cause to be paid all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Leased Property.

(c) Contest of Charges. The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lender shall notify the District that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Lender in the Leased Property will be materially endangered or the Leased Property, or any part thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, or charges or provide the Lender with full security against any loss that may result from nonpayment, in form satisfactory to the Lender.

Section 5.5. Liens. If the District shall at any time during the term of this Lease/Purchase Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the District shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Leased Property and shall keep the Leased Property free of any and all mechanics' or materialmen's liens or other liens against the Leased Property or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Corporation's interest therein, the District shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so in good faith. If any such lien is reduced to final judgment and such

judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and the stay thereafter expires, the District shall forthwith pay (or cause to be paid) and discharge such judgment. The District agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation, the Lender, their directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.

Section 5.6. Environmental Covenants.

(a) Compliance with Laws; No Hazardous Substances. The District will comply with all Applicable Environmental Laws with respect to the Leased Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Leased Property. The District shall indemnify and hold the Corporation and the Lender harmless from any liabilities, damages, or expenses incurred in connection with a violation by the District of this Section 5.6(A) (Compliance with Laws; No Hazardous Substances).

(b) Remediation. The District shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances on, from, or affecting the Leased Property, in accordance with all Applicable Environmental Laws and (b) in accordance with the orders and directives of all Federal, State and local governmental authorities.

(c) Notification of the Lender. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Leased Property and any operations conducted thereon or any conditions existing thereon to the Lender, and the District will notify the Lender in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Leased Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Lender.

(d) Access for Inspection. The District will permit the Lender, its agents, or any experts designated by the Lender to have full access to the Leased Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Lender has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

Section 5.7. Assignment and Subleasing by District. Neither this Lease/Purchase Agreement nor any interest of the District hereunder shall be mortgaged, pledged, assigned, sublet, or transferred by the District by voluntary act or by operation of law or otherwise, except with the prior written consent of the Lender, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Rental Payments payable by the District hereunder. No such

mortgage, pledge, assignment, sublease, or transfer shall in any event affect or reduce the obligation of the District to make the Rental Payments required hereunder.

Notwithstanding the foregoing, the District may allow occasional use of the Leased Property by civic groups for their public purpose and by State and local agencies for their governmental purposes pursuant to joint use agreements and similar arrangements.

Section 5.8. District Consent to Assignments. Certain of the Corporation's rights under the Site Lease and this Lease/Purchase Agreement, including the right to receive and enforce payment of the Rental Payments, are being assigned to the Lender pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Lender or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, that may be reasonably requested by the Lender or its assignees to protect their interests in the Leased Property and in this Lease/Purchase Agreement.

Section 5.9. Corporation's Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY, OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION HAS NOT CONSTRUCTED THE LEASED PROPERTY AND IS NOT A REAL ESTATE BROKER, THAT THE DISTRICT LEASES THE LEASED PROPERTY AS-IS, ITS BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Corporation or the Lender be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Lease/Purchase Agreement or the existence, furnishing, functioning, or the District's use of the Leased Property or any item or products or services provided for in this Lease/Purchase Agreement.

Section 5.10. Corporation and Lender Not Liable; Indemnification of the Corporation and the Lender. The Corporation and the Lender and their directors, officers, agents, and employees shall not be liable to the District 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.

The District shall to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Corporation and its assignees (including the Lender) and their directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Lease/Purchase Agreement or any other agreement entered into in connection herewith or therewith, the design or ownership of the Leased Property, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any part of the Leased Property, or any accident in connection with the operation, use, condition, possession, storage; or return of any item of the Leased Property resulting in damage to property or injury to or death to any person including, without

limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation; any claim for patent, trademark, or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease/Purchase Agreement or the termination of the term of this Lease/Purchase Agreement for any reason. The District and the Corporation mutually agree to promptly give notice to each other and the Lender of any claim or liability hereby indemnified against following either's learning thereof.

Section 5.11. Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Lease/Purchase Agreement that are necessary and desirable in order to assure that the interest component of the Rental Payments will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the payment in full of the District's obligations hereunder.

Section 5.12. Further Assurances. The District and the Corporation 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 be necessary or proper to carry out the intention or to facilitate the performance of this Lease/Purchase Agreement.

Section 5.13. Financial Statements. During the term of this Lease/Purchase Agreement, the District shall, at the request of the Lender, furnish or cause to be furnished to the Lender, at the District's expense, (i) the audited financial statements of the District within two hundred seventy (270) days of the end of the Fiscal Year, or as soon as practicable thereafter and (ii) the annual budget, as adopted or amended, within 30 days of adoption or amendment. Any audited financial statements furnished to the Lender shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements.

Section 5.14. Additional Lease Financings. The District shall not enter into additional lease financings of the same general nature as this Lease/Purchase Agreement (each an "Additional Financing") that encumber its interest in the Leased Property without the prior written consent of Lender. Notwithstanding the foregoing, nothing herein shall prohibit the District from entering into Additional Financings that encumber its interest in other property of the District, including for the avoidance of any doubt, other property located on the same parcel on which the Leased Property is located; provided, however, that any Additional Financing that encumbers the District's interest in other property of the District located on the same parcel as the Leased Property shall require the consent of the Lender only as to the necessary documentation to effectuate such an Additional Financing.

ARTICLE VI

INSURANCE; EMINENT DOMAIN

Section 6.1. Insurance Coverage. At its own expense, the District shall maintain (i) “all risk” property insurance (which may exclude the risk of earthquake and may exclude the risk of flood, unless the Leased Property is mapped into a flood hazard zone) insuring the Leased Property against loss or damage, which insurance shall be provided by an insurer rated no less than “A” by A.M. Best, or as otherwise approved by the Lender, in an amount equal to 100% of the replacement cost without deduction for depreciation; (ii) liability insurance that protects the Lender from liability in all events in a reasonable amount satisfactory to the Lender; (iii) rental abatement insurance in an amount equal to at least two years’ Rental Payments; (iv) workers’ compensation insurance covering all employees working on, in, near or about the Leased Property; and (v) title insurance on the Leased Property, in the form of a CLTA leasehold owner’s title policy in an amount equal to the aggregate principal amount due under this Lease/Purchase Agreement, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances.

If the Leased Property is mapped into a flood hazard zone, at its own expense, the District shall also maintain insurance insuring the Leased Property against loss or damage by flood in an amount equal to the least of (i) the maximum amount of National Flood Insurance Program flood insurance available, (ii) the unpaid principal components of the Rental Payments, and (iii) 100% of the replacement cost of the Leased Property.

Section 6.2. Alternative Risk Management. The District may provide the insurance required by Section 6.1 through (1) a self-insurance method or plan of protection, but only with the Lender’s prior written consent, (2) a program involving captive insurance companies, (3) participation in state or federal insurance programs, (4) participation with other public agencies in mutual or other cooperative insurance or other risk management programs, including those made available through joint exercise of powers agencies, or (5) establishment or participation in other alternative risk management programs; provided that the District may not self-insure against the risk of rental abatement. The District may not decrease any of its self-insurance retention amounts with respect to the insurance required by Section 6.1 without the Lender’s prior written consent.

Section 6.3. General Provisions. All such insurance shall be with insurers that are authorized to issue such insurance in the State of California, (other than the workers’ compensation insurance) shall name the Lender as an additional insured, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially and adversely to the interest of the Lender without first giving written notice thereof to the Lender in accordance with the policy terms or memorandum of coverage. The District shall not agree to such changes’ becoming effective without the Lender’s prior written consent, which consent shall not be unreasonably withheld. The District shall, at the Lender’s request, furnish to the Lender certificates evidencing such coverage.

The "all risk" insurance shall contain a provision making any losses payable to the Lender and the District as their respective interests may appear. All insurance proceeds from rental abatement insurance shall be paid to the Lender or its assigns and shall be credited toward the payment of Rental Payments in the order in which the Rental Payments come due and payable.

Section 6.4. Advances. In the event the District shall fail to maintain the full insurance coverage required by this Lease/Purchase Agreement or shall fail to keep the Leased Property in good repair and operating condition, the Lender may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and the District agrees to reimburse the Lender all amounts so advanced within thirty (30) days of a written request therefor.

Section 6.5. Damage, Destruction, and Condemnation. If (a) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, or (b) title to, or the temporary use of, the Leased Property or any part thereof is taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District and the Corporation shall cause the proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt repair, reconstruction, or replacement of the Leased Property, unless the District has exercised its right to prepay this Lease/Purchase Agreement as provided herein. Any balance of the proceeds not required for such repair, reconstruction, or replacement shall be paid to the District.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.1. Events of Default. The following events shall be Events of Default:

(a) Payment Default. Failure of the District to pay any Rental Payments payable hereunder when the same become due and payable, time being expressly declared to be of the essence of this Lease/Purchase Agreement;

(b) Breach of Covenant. Failure of the District to keep, observe, or perform any other term, covenant or condition contained herein to be kept or performed by the District for a period of thirty (30) days after notice of the same has been given to the District by the Lender; provided that the Lender shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected, except that such grace period shall not exceed sixty (60) days without the prior written consent of the Lender;

(c) Transfer of District's Interest. Assignment or transfer of the District's interest in this Lease/Purchase Agreement or any part hereof without the written consent of the Lender, either voluntarily or by operation of law or otherwise;

(d) Bankruptcy or Insolvency. Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors;

(e) Abandonment of the Leased Property. Abandonment by the District of any part of the Leased Property.

Section 7.2. Remedies on Default. Upon the occurrence and during the continuance of an Event of Default, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or the following remedies granted pursuant to this Lease/Purchase Agreement:

(a) Termination of Lease:

(1) Notice of Termination; Re-entry. By written notice to the District, to terminate this Lease/Purchase Agreement and to re-enter the Leased Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and place such personal property in storage in any warehouse or other suitable place in the District in which the District is located. In the event of such termination, the District agrees to surrender immediately possession of the Leased Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Leased Property and removal or storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained.

(2) No Termination Except by Notice. Neither (a) notice to pay rent or to deliver up possession of the Leased Property given pursuant to law, nor (b) any entry or re-entry by the Corporation, nor (c) any proceeding brought by the Corporation to recover possession of the Leased Property, nor (d) the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interests under this Lease/Purchase Agreement shall of itself operate to terminate this Lease/Purchase Agreement. No termination of this Lease/Purchase Agreement on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease/Purchase Agreement. The District covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease/Purchase

Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(b) Continuation of Lease; Reletting.

(1) Continuation Remedies. Without terminating this Lease/Purchase Agreement, (a) to collect each installment of rent as it becomes due and enforce any other term or provision hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Leased Property, and/or (b) to enter, retake possession of, and re-let the Leased Property. The term “re-let” or “re-letting” as used in this Article shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Leased Property.

(2) District to Remain Liable. If the Corporation does not elect to terminate this Lease/Purchase Agreement in the manner provided for in subsection (A) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District. If the Leased Property is not re-let, the District agrees to pay the full amount of the rent to the end of the term of this Lease/Purchase Agreement; if the Leased Property is re-let, the District agrees to pay any deficiency in rent that results therefrom. The District further agrees to pay the rent punctually at the same time and in the same manner as for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified and notwithstanding any entry or re-entry by the Corporation or proceeding brought by the Corporation to recover possession of the Leased Property.

(3) Agency. Should the Corporation elect to enter or re-enter the Leased Property as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let the Leased Property, or any item or part thereof, from time to time, either in the Corporation’s name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable. The District further appoints the Corporation as its agent to remove all persons in possession of the Leased Property and all personal property whatsoever situated upon the Leased Property and to place such personal property in storage in any warehouse or other suitable place in the District in which the District is located, for the account of and at the expense of the District. The District hereby exempts and agrees to save harmless the Corporation from any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such retaking of possession and re-letting of the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance herewith.

(4) Adequate Notice. The District agrees that the terms of this Lease/Purchase Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Leased Property and to do all other acts to maintain or preserve the Leased Property as the Corporation deems necessary or desirable in

the event of such retaking or re-entry without effecting a surrender of this Lease/Purchase Agreement, and further agrees that no acts of the Corporation in attempting such re-letting shall constitute a surrender or termination of this Lease/Purchase Agreement, irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease/Purchase Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subsection (A) hereof.

(5) Waiver of Right to Excess Rent; Agreement to Pay Costs. The District further waives the right to rental obtained by the Corporation in excess of the rental herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Leased Property or any items or part thereof. The District further agrees to pay the Corporation the cost of any alterations or repairs or additions to the Leased Property or any items or part thereof necessary to place the Leased Property or any items or part thereof in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or repairs or alterations.

The District hereby waives any and all claims for damages caused or that may be caused by the Corporation in entering or re-entering and taking possession of the Leased Property as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the District, or any other person, that may be in or upon the Leased Property.

Section 7.3. No Acceleration. Notwithstanding anything herein to the contrary, there shall be no right under any circumstance to accelerate the Rental Payments or otherwise declare any Rental Payments not yet due to be immediately due and payable.

Section 7.4. No Remedy Exclusive. Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

Section 7.5. Corporation Defaults; District Remedies.

(a) Corporation Defaults. The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the District to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

(b) District Remedies. The Corporation's failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of rent by the

District. The parties hereto agree that the performance of the Corporation is unique, that the remedies at law for the Corporation's nonperformance would be inadequate, and that the District shall institute a suit for specific performance by the Corporation upon any default by the Corporation.

Section 7.6. Attorneys' Fees. Upon the occurrence of an Event of Default, the District agrees to pay to Corporation or reimburse Corporation for, in addition to all other amounts due hereunder, all of Corporation's costs of collection, including reasonable attorneys' fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to the District. If suit or action is instituted to enforce any of the terms of this Lease/Purchase Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

Section 7.7. No Additional Waiver. Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice that may grow up between the parties in the course of administering this Lease/Purchase Agreement be construed to waive or to lessen the right of the Corporation to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease/Purchase Agreement.

Section 7.8. Application of Amounts Collected. All amounts collected by the Corporation under this Article shall be credited towards the Rental Payments in order of Payment Dates.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Binding Effect. This Lease/Purchase Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

Section 8.2. Severability. In the event any provision of this Lease/Purchase Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.3. Applicable Law. This Lease/Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8.4. Interested Parties. To the extent that this Lease/Purchase Agreement confers upon or gives or grants to the Lender any right, remedy or claim under or by reason of this Lease/Purchase Agreement, the Lender is hereby explicitly recognized as being a third-party

beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

Section 8.5. No Sovereign Immunity. The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Lease/Purchase Agreement or otherwise with respect to the Rental Payments. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the Lease/Purchase Agreement or otherwise with respect to the Rental Payments.

Section 8.6. Judicial Reference. To the extent permitted by law, the parties to this Lease/Purchase Agreement hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to this Lease/Purchase Agreement or any of the related documents or the transaction contemplated hereby or thereby. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, the parties hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such reference whether fact or law. The parties represent that each has reviewed this waiver and consent and each knowingly and voluntarily waives its jury trial rights and consents to judicial reference following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this agreement may be filed as a written consent to judicial reference under California Code of Civil Procedure section 638 as provided herein.

Section 8.7. Execution in Counterparts. This Lease/Purchase Agreement 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.


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused this Lease/Purchase Agreement to be executed in its name by its duly authorized officer, and the District has caused this Lease/Purchase Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

MORAGA-ORINDA FIRE PROTECTION DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION

By: 
Finance Director

MORAGA-ORINDA FIRE PROTECTION DISTRICT

By: 
Administrative Services Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA
County of CONTRA COSTA

On the 18TH OF MAY, 2016 before me, GRACE SANTOS a Notary Public,
personally appeared GLORIANNA SASSER
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: *Grace Santos*

Name: GRACE SANTOS
(Typed or Printed)



(Seal)

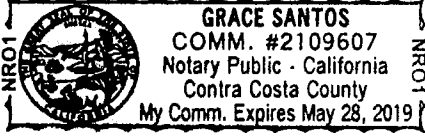
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA
County of CONTRA COSTA

On the 18TH OF MAY, 2016 before me, GRACE SANTOS a Notary Public,
personally appeared GLORIANN SASSER
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

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

WITNESS my hand and official seal.
Signature: *Grace Santos*
Name: GRACE SANTOS
(Typed or Printed)



(Seal)

EXHIBIT A

PROPERTY DESCRIPTION

Station 42 and Station 44 and the real property immediately under said buildings and the improvements thereon, located at 555 Moraga Road, Moraga, CA 94556 and 295 Orchard Road, Orinda, CA 94563, respectively, on a portion of the real property of the District described as follows:

Station 42

Parcel A of that certain Parcel Map recorded September 17th, 2003 in Book 188 of Parcel Maps, at Page 14, Records of Contra Costa County.

APN: 256-070-036

Station 44

The land referred to is situated in the County of Contra Costa, City of Orinda, State of California, and is described as follows:

Beginning at the most Eastern corner of Lot 10, at a point on the Southwestern line of Moraga Highway as the said Lot and Highway are shown on that certain Map entitled "Moraga Woodlands, Contra Costa County, California", etc., filed November 10, 1936, in Volume 22 of Maps, at Pages 632, 633 and 634, Contra Costa County Records; thence running along said Southwestern line of Moraga Highway, South 61° 43' 30" East, 44.49 feet; thence leaving said Southwestern line North 28° 16' 30" East, 20 feet; thence North 61° 43' 30" West, 71.29 feet to the actual point of commencement of this description: thence from said actual point of commencement North 61° 43' 30" West, 298.59 feet; thence North 28° 16' 30" East, 105 feet; thence Northeasterly and tangent to said last mentioned course along the arc of a circle to the left, with a radius of 200 feet a distance of 39.56 feet; thence tangent to said mentioned circle, North 16° 56' 30" East, 154.63 feet; thence South 53° 45' East, 331.26 feet; thence South 27° 10' 13" West, 250 feet to the point of commencement.

Being a portion of Lot 156 as the said Lot is delineated and so designated on that certain Map entitled, "Map of Sectionization of a Part of Rancho Laguna De Los Palos Colorados, Contra Costa County, California," filed August 8, 1916, in Book 15 of Maps, at Page 308, Contra Costa County Records.

EXCEPTING THEREFROM:

That portion described in the Deed from the Moraga Company, a corporation to Contra Costa County recorded May 13, 1952, Book 1931, Page 539, Official Records.

APN: 270-301-012

CERTIFICATE OF ACCEPTANCE
BY PUBLIC AGENCY
(Cal. Gov. Code §27281)

This is to certify that the interest in real property conveyed by the within and foregoing Lease/Purchase Agreement to the Moraga-Orinda Fire Protection District, a fire protection district formed under the laws of the State of California, by the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation, is hereby accepted by order of its Board of Directors, and the District consents to recordation thereof by its duly authorized officer.

Moraga-Orinda Fire Protection District,
a fire protection district formed under the laws
of the State of California

Date: May 18, 2016



Administrative Services Director

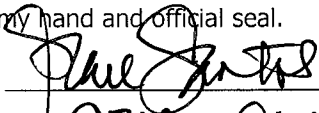
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA
County of CONTRA COSTA

On the 18TH OF MAY, 2014 before me, GRACE SANTOS a Notary Public,
personally appeared GLORIANN SASSER
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: 
Name: GRACE SANTOS
(Typed or Printed)

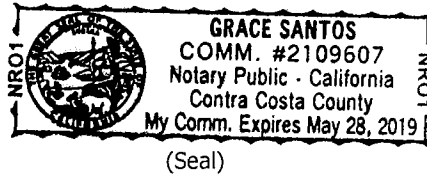


EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2016	\$100,000	\$30,476.81	\$130,476.81
April 1, 2017	100,000	42,468.30	142,468.30
October 1, 2017	120,000	41,398.30	161,398.30
April 1, 2018	120,000	40,114.30	160,114.30
October 1, 2018	123,000	38,830.30	161,830.30
April 1, 2019	122,000	37,514.20	159,514.20
October 1, 2019	125,000	36,208.80	161,208.80
April 1, 2020	125,000	34,871.30	159,871.30
October 1, 2020	128,000	33,533.80	161,533.80
April 1, 2021	128,000	32,164.20	160,164.20
October 1, 2021	130,000	30,794.60	160,794.60
April 1, 2022	131,000	29,403.60	160,403.60
October 1, 2022	134,000	28,001.90	162,001.90
April 1, 2023	133,000	26,568.10	159,568.10
October 1, 2023	136,000	25,145.00	161,145.00
April 1, 2024	136,000	23,689.80	159,689.80
October 1, 2024	139,000	22,234.60	161,234.60
April 1, 2025	139,000	20,747.30	159,747.30
October 1, 2025	142,000	19,260.00	161,260.00
April 1, 2026	142,000	17,740.60	159,740.60
October 1, 2026	145,000	16,221.20	161,221.20
April 1, 2027	145,000	14,669.70	159,669.70
October 1, 2027	149,000	13,118.20	162,118.20
April 1, 2028	148,000	11,523.90	159,523.90
October 1, 2028	151,000	9,940.30	160,940.30
April 1, 2029	152,000	8,324.60	160,324.60
October 1, 2029	155,000	6,698.20	161,698.20
April 1, 2030	155,000	5,039.70	160,039.70
October 1, 2030	158,000	3,381.20	161,381.20
April 1, 2031	158,000	1,690.60	159,690.60
TOTAL	\$4,069,000	\$701,773.41	\$4,770,773.41

Effective Interest Rate: 2.14%