

PUBLIC FINANCING ADVISORY COMMITTEE

Thursday, May 9, 2024, 1:30 P.M.

COUNTY ADMINISTRATION NORTH
First Floor, Multi-Purpose Room
400 W. Civic Center Dr.
Santa Ana, CA 92701

JOHN J. MOOHR
CHAIR (First District)

MIN CHAI
Vice-Chair (Second District)

CARLOS CARNEY
Committee Member (Third District)

WALLACE B. RODECKER
(Fourth District)

JUSTIN FONG
(Fifth District)

FRANK KIM*
CEO
EX-OFFICIO Member

SHARI L. FREIDENRICH
Treasurer-Tax Collector
EX-OFFICIO Member

ANDREW N. HAMILTON
Auditor-Controller
EX-OFFICIO Member

Finance Team Lead
Louis McClure

County Counsel
Nikhil Daftary

Clerk of the Committee
Eleanore Coplan

*Michelle Aguirre,
Chief Financial Officer
Alternate Member

The Public Financing Advisory Committee welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Committee encourages your participation. If you wish to speak on an item contained in the agenda, please notify the Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. When addressing the Board, please state your name for the record prior to providing your comments.

In compliance with the Americans with Disability Act, those requiring accommodations for this meeting should call the Clerk of the Committee 72 hours prior to the meeting at (714) 834-3520.

ADMINISTRATIVE MATTERS: (Items 1-7)

At this time, members of the public may ask the Committee to be heard on the following items as those items are called.

1. Call to Order
2. Approval of Minutes of October 19, 2023, Special Meeting
3. Election of Public Financing Advisory Committee 2024 Chair and Vice Chair
4. Approval of Public Financing Advisory Committee 2025 Calendar of Meetings

5. Recommend to the Board of Supervisors the selection of financing professionals for the possible formation and financing of one or more Rancho Mission Viejo Community Facilities Districts
6. Recommend to the Board of Supervisors the selection of Wells Fargo Bank, National Association, and the issuance of the Series B Notes to finance the Teeter Plan
7. Public Finance Status Report – Verbal Report

PUBLIC & COMMITTEE COMMENTS:

At this time members of the public may address the Committee on any matter not on the agenda but within the jurisdiction of the Committee. The Chairman may limit the length of time each individual may have to address the Committee.

PUBLIC COMMENTS:

COMMITTEE COMMENTS:

ADJOURN:

NEXT MEETING:

September 12, 2024



Public Financing Advisory Committee

Special Meeting

Thursday, October 19, 2023, 2:30 p.m.

County Administration North, Multi-Purpose Room

MEETING MINUTES

- I. Call to Order/Instructions/Opening Remarks:** New Committee Member Justin Fong was introduced. Meeting called to order by PFAC Vice Chair Moohr at 2:32p.m. with roll call.

Attendees: John J. Moohr (Vice Chair), Carlos Carney (Committee Member), Justin Fong (Committee Member), Michelle Aguirre (Chief Financial Officer), Louis McClure (CEO Finance Team Lead) and Nikhil Daftary (County Counsel). Min Chai (Committee Member) arrived at 2:53 p.m.

Absent: Wallace B. Rodecker (Committee Member), Shari Freidenrich (Treasurer-Tax Collector) and Andrew Hamilton (Auditor-Controller).

- II. Re-election of Public Financing Advisory Committee 2023 Chair and Vice Chair:** Member Carney made a nomination to elect John Moohr as Chair and Min Chai as Vice Chair with a second by Member Fong. The motion passed unanimously.

- III. Approval of Minutes of March 9, 2023, Minutes:** Member Fong abstained from the item since he was not present for the meeting. Member Carney made a motion to approve the meeting minutes and Chair Moohr seconded the motion. The motion passed unanimously.

- IV. Approval of Public Financing Advisory Committee 2024 Calendar of Meetings:** Member Fong made a motion to approve the 2024 Calendar of Meetings and Chair Moohr seconded. The motion passed unanimously.

- V. Approve recommending to the Board of Supervisors the issuance of Community Facilities District No. 2023-1 of the County of Orange (Rienda Phase 2B) Special Tax Refunding Bonds A of 2023 Series in an amount not to exceed \$75 million:** Alex Berg and Brian Lin with Rancho Mission Viejo developer presented to the committee an overview of the Community Facilities District (CFD) and future development in Phase 3 of Rancho Mission Viejo. Mr. Lin provided answers regarding plans for affordable housing units in CFD 2023-1 and future development in Phase 3.

Chair Moohr asked for a presentation from the appraiser consultant Integra Realty Resources. Appraiser Kevin Ziegenmeyer provided an overview of their appraisal process and report and answered committee questions. Member Carney inquired about the Market Absorption Study and Joe Janczyk with Empire Economics noted that currently there was a slower pace of sales as home price increase.

Sara Brown with Stifel Public Finance, underwriter, provided the committee information about the financing, which included the estimated interest rates and escrow bonds.

Member Chai made a motion to approve the recommended action and Member Carney seconded the motion. The motion passed unanimously.

This item was approved by the Board at their October 31, 2023, meeting.

- VI. Public Finance Status Report:** Mr. McClure provided an update on the refundings of Ladera Ranch CFDs 02-1, 03-1 and 04-1.
- VII. Public Comments:** None.
- VIII. Committee Comments:** Chair Moohr thanked Thomas Hammond for this contribution and support to the Public Financing Advisory Committee over his tenure as a public member.
- IX. Adjournment:** Chair Moohr adjourned the meeting at 3:12 p.m.

PFAC MEETING SCHEDULE 2025

DATE	TIME	LOCATION
Thursday, March 13, 2025	1:30 PM	CAN, Multi-Purpose Room, 1 st Floor
Thursday, May 8, 2025	1:30 PM	CAN, Multi-Purpose Room, 1 st Floor
Thursday, September 11, 2025	1:30 PM	CAN, Multi-Purpose Room, 1 st Floor
Thursday, December 4, 2025	1:30 PM	CAN, Multi-Purpose Room, 1 st Floor
Thursday, March 12, 2026	1:30 PM	CAN, Multi-Purpose Room, 1 st Floor

The current contracts for financing professionals for the formation and financing of future RMV CFDs are set to expire on October 7, 2024. Approval of the recommended actions will permit the County to undertake the analysis required to determine the appropriateness of forming the CFDs and issuing bonds to finance community facilities and infrastructure.

On January 12, 2021, the Board approved the Reimbursement Agreement between the County of Orange and the developer, RMV PA 3 Development. Under the Reimbursement Agreement, the developer is required to periodically advance funds to the County to cover all costs associated with retaining the financing professionals, as well as County staff time to undertake the analyses required to determine the appropriateness of forming the CFD.

Selection of Financing Professionals

On January 11, 2024, CEO staff issued three Request for Proposals (RFP) for Municipal Advisor (MA) services, Bond and Disclosure Counsel (BC) services, and Underwriter (UW) services for the possible formation and financing of CFDs in the RMV development. Using the County's online bidding site (OpenGov), the RFPs were distributed to all MA, BC, and UW firms on the County's current panel of qualified consultants. Three separate five-member panels were convened to review the RFP responses and make a recommendation to the Public Financing Advisory Committee (PFAC) and the Board.

Recommendation of Municipal Advisor. Five MA firms were invited to participate in the RFP and two proposal responses were received. The evaluation panel ranked Fieldman, Rolapp & Associates, Inc. (Fieldman) and CSG Advisors as the top two firms for future formation and/or financing. The evaluation panel recommended that contracts be awarded to both Fieldman and CSG Advisors. Fieldman and CSG Advisors are anticipated to work as the sole MA for each transaction as determined to meet the County's needs by CEO Budget & Finance staff. Fieldman served as the MA on the formation & financing team for the RMV CFDs in Phase 2 (Village of Esencia) and RMV CFD 2023-1. CSG Advisors has extensive experience with California land-secured transactions and served as the MA on the formation & financing team for RMV CFD 2021-1. Fieldman proposed a total fee of \$77,500 for a CFD formation and financing. CSG Advisors' compensation is a total fee of \$85,000 for a CFD formation and financing.

For Fieldman, CEO completed reference checks with City of Irvine and County of Riverside regarding similar services and they were found to be satisfactory. The reference check responses noted that Fieldman was very experienced and knowledgeable about land-secured transactions. Both references recommended Fieldman to the County of Orange.

For CSG Advisors, CEO completed reference checks with the City of Corona and City of Tracy regarding similar services and they were found to be satisfactory. The reference check responses noted that CSG Advisors communicated well with staff and worked collaboratively. Both references recommended CSG Advisors to the County of Orange.

CEO confirmed the primary staff assigned to the County hold a Series 50 registration with the Municipal Securities Rulemaking Board. The Series 50 exam is designed to ensure that MAs meet professional qualification standards.

Recommendation of Bond and Disclosure Counsel. Six BC firms were invited to participate in the RFP and three proposal responses were received. The evaluation panel recommended that the Contract for the services be awarded to Stradling Yocca Carlson & Rauth (Stradling) in the possible formation and/or financing of Rancho Mission Viejo CFDs. Stradling has been bond counsel on all of the County's CFD financings for more than 30 years. Stradling proposed a fee of \$25,000 (plus reimbursable expenses) for a

CFD formation and a fee of \$80,000 (plus reimbursable expenses) for a CFD bond financing. The range of fees proposed by the firms responding to the RFP was \$15,000 to \$25,000 for a CFD formation and proposed fees of \$75,000 to \$80,000 for a CFD bond financing.

CEO completed reference checks with City of San Diego and City of Sacramento regarding similar services and they were found to be satisfactory. The reference check responses noted that Stradling was highly recommended and very knowledgeable about CFDs.

CEO performed an Attorney search with the State Bar of California for the primary staff assigned to the Contract and found no Disciplinary and Related Actions or Administrative Actions.

The Contract terms and conditions with Stradling are not the County's standard terms and conditions. This Contract contains modified indemnification provisions that vary from the County standard indemnification language. The modified indemnification provision has been approved by County Counsel as legally sufficient and CEO/Risk Management determined the risk to be acceptable for these services.

Recommendation of Underwriters. Sixteen UW firms were invited to participate in the RFP and seven proposal responses were received. The evaluation panel ranked the top three firms as Piper Sandler & Co. (Piper Sandler), Hilltop Securities Inc. (Hilltop Securities), and Stifel, Nicolaus & Company, Inc. (Stifel) as underwriters for future financings of RMV CFDs.

The three firms have all served as senior or co-managers on recent County CFD financings in the last three years. Piper Sandler served as senior manager for RMV CFD 2021-1 financing, co-manager for RMV CFD 2023-1 financing, and senior manager for the County's CFD 04-1 refunding in 2023. Hilltop Securities served as senior manager for the County's CFDs 02-1 & 03-1 refunding in 2023. Stifel served as senior manager for RMV CFD 2023-1 financing. The range of takedown fees proposed by the firms responding to the RFP for non-rated bonds was \$2.25 to \$3.50 per \$1,000 bonds and for rated bonds \$2.25 to \$2.75 per \$1,000 bonds.

CEO staff is recommending that Piper Sandler, Hilltop Securities, and Stifel alternate serving as senior-manager and co-manager for the financing of future CFDs within the next 5 years. Piper Sandler will serve as senior manager and Hilltop Securities will serve as co-manager for the financing of the anticipated next CFD. The rotation of underwriters for future CFDs will be determined by CEO Budget & Finance staff and based on firm performance, personnel, and other factors that the County determines to be relevant and in the best interests of the County. Underwriter fees will be included in the resolution and staff report when the financing is presented to the Board for approval.

For Piper Sandler, CEO completed reference checks with Santa Margarita Water District and City of Roseville regarding similar services and they were found to be satisfactory. The reference check responses noted that Piper Sandler had significant land-secured experience in California, communicated often with staff and both recommended Piper Sandler to the County.

For Hilltop Securities, CEO completed reference checks with City of Patterson and City of Palmdale regarding similar services and they were found to be satisfactory. The reference check responses noted that Hilltop Securities was thorough, communicated effectively worked well with the financing team and recommended Hilltop Securities to the County.

For Stifel, CEO completed reference checks with City of Irvine and the City of Santa Paula regarding similar services and they were found to be satisfactory. The reference check responses noted that Stifel is an excellent team to work with on financing and both recommended Stifel to the County.

CEO performed a Broker Check on the Financial Industry Regulatory Authority website for the primary staff assigned to the projects and found no Disclosure Events for the brokers.

Any future financing of a RMV CFD would be presented to PFAC and the Board for approval.

If the recommendations are approved by PFAC, the Board of Supervisors is scheduled to consider this item at its May 21, 2024, meeting.

ATTACHMENTS:

Attachment A – MA Evaluation Score Summary

Attachment B – BC Evaluation Score Summary

Attachment C – UW Evaluation Score Summary

Final Scoring Summary
RFP #017-24010769 - Municipal Advisor Services for
Rancho Mission Viejo CFD Formation and Financing

Evaluation Criteria	Weight	Proposer: CSG Advisors, Inc.										Score	Weighted
Written Criteria	100%	Panel #1		Panel #2		Panel #3		Panel #4		Panel #5		Percentage	Score
Proposal Organization/Completeness of Response	20%	5	20	4	16	5	20	5	20	4	16	18	18
Qualifications and Experience of the Respondent/Staff	45%	5	45	4	36	4	36	5	45	4	36	40	40
Proposed Compensation to County	25%	5	25	4	20	5	25	5	25	5	25	24	24
Degree of Compliance with County Model Contract	10%	5	10	5	10	4	8	5	10	5	10	10	10
Written Proposal Evaluation - Must Equal 100%	100%	20.0	100.0	17.0	82.0	18.0	89.0	20.0	100.0	18.0	87.0	91.6	91.6
Grand Total - Must Equal 100%	100%											91.6	91.6

Evaluation Criteria	Weight	Proposer: Fieldman, Rolapp & Associates, Inc.										Score	Weighted
Written Criteria	100%	Panel #1		Panel #2		Panel #3		Panel #4		Panel #5		Percentage	Score
Proposal Organization/Completeness of Response	20%	5	20	5	20	5	20	4	16	5	20	19	19
Qualifications and Experience of the Respondent/Staff	45%	5	45	5	45	5	45	4	36	5	45	43	43
Proposed Compensation to County	25%	4	20	5	25	4	20	4	20	4	20	21	21
Degree of Compliance with County Model Contract	10%	5	10	5	10	5	10	5	10	5	10	10	10
Written Proposal Evaluation - Must Equal 100%	100%	19.0	95.0	20.0	100.0	19.0	95.0	17.0	82.0	19.0	95.0	93.4	93.4
Grand Total - Must Equal 100%	100%											93.4	93.4

Final Scoring Summary
RFP #017-24010734 - Bond/Disclosure Counsel Services for
Rancho Mission Viejo CFD Formation and Financing

Evaluation Criteria	Weight	Proposer: Nixon Peabody LLP										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Proposal Organization/Completeness of Response	20%	4	16	4	16	5	20	4	16	4	16	17	17
Qualifications and Experience of the Respondent/Staff	45%	3	27	3	27	4	36	3	27	4	36	31	31
Proposed Cost to County	25%	5	25	5	25	5	25	5	25	5	25	25	25
Degree of Compliance with County Model Contract	10%	3	6	4	8	3	6	3	6	3	6	6	6
Written Proposal Evaluation - Must Equal 100%	100%	15.0	74.0	16.0	76.0	17.0	87.0	15.0	74.0	16.0	83.0	78.8	78.8
Grand Total - Must Equal 100%	100%												78.8

Evaluation Criteria	Weight	Proposer: Orrick, Herrington & Sutcliffe LLP										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Proposal Organization/Completeness of Response	20%	5	20	4	16	5	20	5	20	5	20	19	19
Qualifications and Experience of the Respondent/Staff	45%	4	36	4	36	4	36	3	27	4	36	34	34
Proposed Cost to County	25%	4	20	3	15	3	15	4	20	4	20	18	18
Degree of Compliance with County Model Contract	10%	4	8	4	8	3	6	4	8	4	8	8	8
Written Proposal Evaluation - Must Equal 100%	100%	17.0	84.0	15.0	75.0	15.0	77.0	16.0	75.0	17.0	84.0	79.0	79.0
Grand Total - Must Equal 100%	100%												79.0

Evaluation Criteria	Weight	Proposer: Stradling Yocca Carlson & Rauth LLP										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Proposal Organization/Completeness of Response	20%	5	20	5	20	5	20	5	20	5	20	20	20
Qualifications and Experience of the Respondent/Staff	45%	5	45	5	45	4	36	5	45	5	45	43	43
Proposed Cost to County	25%	4	20	4	20	4	20	4	20	4	20	20	20
Degree of Compliance with County Model Contract	10%	4	8	4	8	4	8	4	8	4	8	8	8
Written Proposal Evaluation - Must Equal 100%	100%	18.0	93.0	18.0	93.0	17.0	84.0	18.0	93.0	18.0	93.0	91.2	91.2
Grand Total - Must Equal 100%	100%												91.2

Final Scoring Summary
RFP #017-24010734 - UW Underwriter Services for
Rancho Mission Viejo CFD Formation and Financing

Evaluation Criteria	Weight	Proposer: Hilltop Securities Inc										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	5	20	5	20	5	20	5	20	5	20	20	20
Qualifications and Experience of the Respondent	45%	5	45	4	36	5	45	5	45	5	45	43	43
Fee for Service	25%	4	20	3	15	4	20	4	20	3	15	18	18
Net Capital Position/Capability and Willingness to Underwrite	10%	4	8	4	8	4	8	4	8	4	8	8	8
Written Proposal Evaluation - Must Equal 100%	100%	18.0	93.0	16.0	79.0	18.0	93.0	18.0	93.0	17.0	88.0	89.2	89.2
Grand Total - Must Equal 100%	100%												89.2

Evaluation Criteria	Weight	Proposer: Piper Sandler & Co										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	5	20	5	20	5	20	5	20	5	20	20	20
Qualifications and Experience of the Respondent	45%	5	45	5	45	5	45	5	45	4	36	43	43
Fee for Service	25%	4	20	4	20	5	25	4	20	4	20	21	21
Net Capital Position/Capability and Willingness to Underwrite	10%	5	10	5	10	5	10	4	8	4	8	9	9
Written Proposal Evaluation - Must Equal 100%	100%	19.0	95.0	19.0	95.0	20.0	100.0	18.0	93.0	17.0	84.0	93.4	93.4
Grand Total - Must Equal 100%	100%												93.4

Final Scoring Summary
RFP #017-24010734 - UW Underwriter Services for
Rancho Mission Viejo CFD Formation and Financing

Evaluation Criteria	Weight	Proposer: Ramirez & Co., Inc										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	5	20	5	20	4	16	5	20	4	16	18	18
Qualifications and Experience of the Respondent	45%	3	27	3	27	4	36	3	27	3	27	29	29
Fee for Service	25%	5	25	5	25	5	25	5	25	5	25	25	25
Net Capital Position/Capability and Willingness to Underwrite	10%	5	10	5	10	5	10	4	8	5	10	10	10
Written Proposal Evaluation - Must Equal 100%	100%	18.0	82.0	18.0	82.0	18.0	87.0	17.0	80.0	17.0	78.0	81.8	81.8
Grand Total - Must Equal 100%	100%												81.8

Evaluation Criteria	Weight	Proposer: Raymond James										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	4	16	4	16	5	20	4	16	5	20	18	18
Qualifications and Experience of the Respondent	45%	4	36	3	27	4	36	4	36	4	36	34	34
Fee for Service	25%	4	20	4	20	4	20	4	20	4	20	20	20
Net Capital Position/Capability and Willingness to Underwrite	10%	5	10	5	10	4	8	5	10	5	10	10	10
Written Proposal Evaluation - Must Equal 100%	100%	17.0	82.0	16.0	73.0	17.0	84.0	17.0	82.0	18.0	86.0	81.4	81.4
Grand Total - Must Equal 100%	100%												81.4

Final Scoring Summary
RFP #017-24010734 - UW Underwriter Services for
Rancho Mission Viejo CFD Formation and Financing

Evaluation Criteria	Weight	Proposer: RBC Capital Markets										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	4	16	4	16	4	16	4	16	5	20	17	17
Qualifications and Experience of the Respondent	45%	4	36	3	27	4	36	4	36	4	36	34	34
Fee for Service	25%	4	20	5	25	4	20	5	25	4	20	22	22
Net Capital Position/Capability and Willingness to Underwrite	10%	5	10	4	8	5	10	5	10	5	10	10	10
Written Proposal Evaluation - Must Equal 100%	100%	17.0	82.0	16.0	76.0	17.0	82.0	18.0	87.0	18.0	86.0	82.6	82.6
Grand Total - Must Equal 100%	100%												82.6

Evaluation Criteria	Weight	Proposer: Stifel										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	5	20	5	20	4	16	5	20	4	16	18	18
Qualifications and Experience of the Respondent	45%	5	45	5	45	4	36	5	45	5	45	43	43
Fee for Service	25%	3	15	3	15	3	15	4	20	4	20	17	17
Net Capital Position/Capability and Willingness to Underwrite	10%	5	10	5	10	4	8	5	10	4	8	9	9
Written Proposal Evaluation - Must Equal 100%	100%	18.0	90.0	18.0	90.0	15.0	75.0	19.0	95.0	17.0	89.0	87.8	87.8
Grand Total - Must Equal 100%	100%												87.8

Final Scoring Summary
RFP #017-24010734 - UW Underwriter Services for
Rancho Mission Viejo CFD Formation and Financing

Evaluation Criteria	Weight	Proposer: Wells Fargo Bank, N.A.										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Overall Responsiveness & Accuracy and Completeness of Proposal	20%	5	20	4	16	5	20	5	20	4	16	18	18
Qualifications and Experience of the Respondent	45%	3	27	3	27	3	27	3	27	2	18	25	25
Fee for Service	25%	4	20	3	15	3	15	4	20	3	15	17	17
Net Capital Position/Capability and Willingness to Underwrite	10%	5	10	4	8	4	8	5	10	5	10	9	9
Written Proposal Evaluation - Must Equal 100%	100%	17.0	77.0	14.0	66.0	15.0	70.0	17.0	77.0	14.0	59.0	69.8	69.8
Grand Total - Must Equal 100%	100%												69.8

purchases notes in the amount necessary for the County to purchase the tax delinquencies from the participating taxing entities. Interest is paid on the outstanding notes monthly based on a spread to the Daily Simple Secured Overnight Financing Rate (SOFR) Index rate. In addition, a 25-basis point annual commitment fee is charged on the unutilized portion. The prior year defaulted base tax collections are pledged to repay the notes. The current plan is set to expire on July 30, 2024. The County has been satisfied with the current program structure and the service provided by Wells Fargo.

The following table summarizes the history of Teeter Plan Direct Purchase Note Program:

July – June	Note Authorization Amount	July Teeter Delinquency Purchase	July 31st Note Outstanding Balance	Fiscal Year Note Repayment
2016 - 17	\$ 100,000,000	\$ 31,536,000	\$ 61,727,000	\$ 33,859,000
2017 – 18	100,000,000	30,621,000	58,489,000	31,242,000
2018 – 19	100,000,000	33,860,000	61,107,000	31,600,000
2019 – 20	100,000,000	40,269,000	69,776,000	35,115,000
2020 – 21	86,000,000	50,725,000	85,386,000	47,980,000
2021 – 22	150,000,000	42,572,000	79,978,000	45,810,000
2022 – 23	150,000,000	48,140,000	82,308,000	41,208,000
2023 - 24	150,000,000	47,904,000	89,004,000	42,650,000*

*Reflects partial year, July 2023 – March 2024 tax collections.

Selection of Recommended Financing

On January 4, 2024, County Executive Office (CEO) staff issued a Request for Proposal (RFP) for a financing mechanism for the County's Teeter Plan. Using the County's online bidding site (OpenGov), the RFP was distributed to all underwriting firms on the County's current panel of qualified firms approved by the Public Financing Advisory Committee (PFAC) on March 1, 2022, and the Board on March 8, 2022. Sixteen firms were invited to participate in the RFP and three firms responded.

A five-member evaluation panel was convened to review the RFP responses and make a recommendation to PFAC and the Board. The criteria used to evaluate the firms included the efficiency and flexibility of the proposed structure, the experience of the firm with similar financing programs, the fee and interest rate structure, and the firm's ability and willingness to commit capital and credit to the plan. The evaluation panel unanimously recommended that the proposal provided by Wells Fargo be awarded to finance the County's Teeter Plan.

All three proposals received included a continuation of the current note (Drawdown Direct Purchase Program authorized up to \$150 million). The proposals included varying spreads to the Daily Simple SOFR rate for a 3-year note and a 5-year note for the taxable interest rate notes, and all included an annual commitment fee charged on the unutilized portion. The following table includes a summary of the proposals received assuming a utilized balance of \$100 million and unutilized amount of \$50 million with no prepayments during the year:

Term	Wells Fargo Proposal		Bank of America Proposal		JPMorgan Proposal	
	3 years	5 years	3 years	5 years	3 years	5 years
Spread = SOFR	+ 59 basis points (bps)	+ 69 bps	+ 95 bps	+ 120 bps	+ 83.5 bps	+ 95 bps
Current Rate*	5.90%	6.00%	6.26%	6.51%	6.15%	6.26%

Term	Wells Fargo Proposal		Bank of America Proposal		JPMorgan Proposal	
	3 years	5 years	3 years	5 years	3 years	5 years
Annual Interest Costs	\$5.9 million (M)	\$6.0 M	\$6.26 M	\$6.51 M	\$6.145 M	\$6.26 M
Unutilized Fee	25 bps	25 bps	32 bps	42 bps	25 bps	30 bps
Annual Commitment Fee	\$125,000	\$125,000	\$160,000	\$210,000	\$125,000	\$150,000
Total Annual Cost Estimate	\$6.025 M	\$6.125 M	\$6.42 M	\$6.72 M	\$6.27M	\$6.41 M

* Assumes Daily Simple SOFR rate of 5.31% as of April 25, 2024

Wells Fargo’s proposal is the most cost-effective financing mechanism for the County’s Teeter Program. The attached documents also provide for the option of setting a fixed interest rate at the time of issuance. The decision as to interest rate mode will be determined at the time of issuance in the best interest of the County.

State law requires that an issuer provide an estimate of the cost of the program over the three years of the agreement, which is included in Exhibit A of the Resolution to the Board. The County’s Municipal Advisor KNN Public Finance prepared the following estimates assuming a flat Daily Simple SOFR rate. For the first year of the agreement, the true interest cost of the notes is approximately 6.13%; the amount of proceeds is estimated to be \$107 million, and the total estimated interest and commitment fee is \$4.8 million and estimated prepayments of \$42.6 million during Fiscal Year 2024-25. Estimated costs of issuance are \$98,000 and will be paid from County funds on hand.

Conversion to Taxable Note Program:

Prior to July 2017, the Teeter notes were issued on a tax-exempt basis. The County’s cashflow projections do not meet the requirement for tax-exempt financing, therefore the Teeter notes are expected to be issued on a taxable basis. If the conditions changed, the agreements with Wells Fargo allow for tax-exempt notes.

The table below shows the history of penalties and interest revenue compared to interest expense. Fiscal Year 2016-17 reflect tax-exempt interest expense and 2017-18 through 2022-23 reflect interest expense on taxable notes.

July – June	Penalties and Interest Revenue	Interest Expense
2016 - 17	\$ 11,053,276	\$ 600,320
2017 - 18	9,448,887	1,104,801
2018 - 19	7,324,017	1,378,722
2019 - 20	6,927,162	1,262,872
2020 - 21	9,455,072	1,189,341
2021 - 22	12,698,915	359,902
2022 - 23	10,348,471	2,784,990

As reflected in the table above, the County’s Teeter Plan produces significant revenue for the County’s general fund. Recommending the selection of Wells Fargo and issuance of the Series B Notes to the Board, will provide a flexible and cost-efficient method of financing the Teeter Plan.

If recommended by PFAC, this item will be considered by the Board at their meeting on June 4, 2024.

ATTACHMENTS:

Attachment A – RFP Panel Score Sheet

Attachment B – Resolution of the Board of Supervisors

Attachment C – Seventh Supplemental Trust Agreement

Attachment D – Third Amended and Restated Note Purchase and Reimbursement Agreement

Attachment E – Fifth Amended and Restated Fee and Interest Rate Agreement

Attachment F – Form of the Demand Obligation

Final Scoring Summary
RFP #017-24010408 - SO
Financing of the Orange County Teeter Plan

Evaluation Criteria	Weight	Proposer: Bank of America										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Quality of the Proposed Structure	20%	4	16	4	16	4	16	4	16	3	12	15	15
Experience of the Respondent	20%	4	16	4	16	4	16	4	16	4	16	16	16
Efficiency of the Proposed Structure	20%	4	16	4	16	4	16	4	16	3	12	15	15
Proposed Fee and/or Interest Rate Structure	20%	3	12	3	12	3	12	3	12	3	12	12	12
Demonstrated Ability and Willingness to Commit Capital/Credit	20%	4	16	3	12	4	16	4	16	3	12	14	14
Written Proposal Evaluation - Must Equal 100%	100%	19.0	76.0	18.0	72.0	19.0	76.0	19.0	76.0	16.0	64.0	72.8	72.8
Grand Total - Must Equal 100%	100%												72.8

Evaluation Criteria	Weight	Proposer: JPMorgan Chase Bank										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Quality of the Proposed Structure	20%	4	16	3	12	3	12	4	16	3	12	14	14
Experience of the Respondent	20%	4	16	3	12	3	12	4	16	3	12	14	14
Efficiency of the Proposed Structure	20%	4	16	4	16	3	12	4	16	3	12	14	14
Proposed Fee and/or Interest Rate Structure	20%	4	16	4	16	4	16	3	12	3	12	14	14
Demonstrated Ability and Willingness to Commit Capital/Credit	20%	4	16	3	12	3	12	4	16	3	12	14	14
Written Proposal Evaluation - Must Equal 100%	100%	20.0	80.0	17.0	68.0	16.0	64.0	19.0	76.0	15.0	60.0	69.6	69.6
Grand Total - Must Equal 100%	100%												69.6

Evaluation Criteria	Weight	Proposer: Wells Fargo Bank										Score Percentage	Weighted Score
		Panel #1		Panel #2		Panel #3		Panel #4		Panel #5			
Quality of the Proposed Structure	20%	5	20	5	20	4	16	5	20	4	16	18	18
Experience of the Respondent	20%	5	20	5	20	4	16	5	20	4	16	18	18
Efficiency of the Proposed Structure	20%	5	20	5	20	4	16	5	20	4	16	18	18
Proposed Fee and/or Interest Rate Structure	20%	5	20	5	20	4	16	5	20	4	16	18	18
Demonstrated Ability and Willingness to Commit Capital/Credit	20%	5	20	4	16	4	16	5	20	4	16	18	18
Written Proposal Evaluation - Must Equal 100%	100%	25.0	100.0	24.0	96.0	20.0	80.0	25.0	100.0	20.0	80.0	91.2	91.2
Grand Total - Must Equal 100%	100%												91.2

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE AUTHORIZING THE ISSUANCE OF ADDITIONAL COUNTY OF ORANGE TEETER PLAN OBLIGATIONS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SEVENTH SUPPLEMENTAL TRUST AGREEMENT, A THIRD AMENDED AND RESTATED NOTE PURCHASE AND REIMBURSEMENT AGREEMENT, A FIFTH AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT AND OTHER DOCUMENTS AND MATTERS RELATED THERETO

June __, 2024

WHEREAS, the County of Orange (the “County”) Board of Supervisors (the “Board”) adopted Resolution No. 93-745 pursuant to Section 4702 of the California Revenue and Taxation Code, electing to follow the alternate method of distribution of tax levies and collection and tax sale proceeds, commonly known as the “Teeter Plan,” and set forth in Chapter 3 of Part 8 of Division 1 of the California Revenue and Taxation Code, consisting of Sections 4701 through 4717 (the “Law”);

WHEREAS, under and pursuant to Resolution No. 08-061 (the “Teeter Plan Obligation Resolution”) adopted on May 20, 2008, the County Board of Supervisors (the “Board”), among other authorizations, authorized the execution and delivery of the Trust Agreement (the “Master Trust Agreement”), dated as of August 1, 2008, between the County and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the issuance of Series A Notes and additional Obligations pursuant to Supplemental Trust Agreements and the filing of a judicial validation action in connection therewith;

WHEREAS, the Superior Court of the State of California, County of Orange, entered a default judgment in the judicial validation action on July 21, 2008;

WHEREAS, the County issued Series A Notes on August 25, 2008 under the Master Trust Agreement;

WHEREAS, the Master Trust Agreement provides that the County may from time to time increase the principal amounts or issue additional series of Obligations, upon compliance with the provisions, and subject to the conditions, set forth in the Master Trust Agreement;

WHEREAS, the County issued additional Series A Notes on July 14, 2009 under a First Supplemental Trust Agreement, dated as of July 1, 2009, by and between the County and the Trustee;

WHEREAS, the County issued additional Series A Notes on July 13, 2010 under a Second Supplemental Trust Agreement, dated as of July 1, 2010, by and between the County and the Trustee;

WHEREAS, the County issued additional Series A Notes on July 12, 2011 under a Third Supplemental Trust Agreement, dated as of July 1, 2011, by and between the County and the Trustee;

WHEREAS, the County issued additional Series A Notes on July 17, 2012 under a Fourth Supplemental Trust Agreement, dated as of July 1, 2012, by and between the County and the Trustee;

WHEREAS, the County issued Series B Notes (the “Series B Notes”), from time to time, under a Fifth Supplemental Trust Agreement, dated as of February 1, 2013, by and between the County and Trustee (as heretofore amended, the “Fifth Supplemental Trust Agreement”);

WHEREAS, the County entered into a First Amendment to Fifth Supplemental Trust Agreement, date as of January 1, 2016, for the purpose of extending the maturity date of the Series B Notes and making other changes to the Fifth Supplemental Trust Agreement;

WHEREAS, the County entered into a Second Amendment to Fifth Supplemental Trust Agreement, dated as of July 1, 2017, for the purpose of adding provisions relating to a taxable interest rate and making other changes to the Fifth Supplemental Trust Agreement;

WHEREAS, the County issued, from time to time, additional Series B Notes, under an Amended and Restated Fifth Supplemental Trust Agreement, dated as of July 1, 2018, by and between the County and the Trustee;

WHEREAS, the County issued additional Series B Notes under a Sixth Supplemental Trust Agreement, dated as of July 1, 2021, by and between the County and the Trustee (the “Sixth Supplemental Trust Agreement”);

WHEREAS, the County entered into an Amended and Restated Sixth Supplemental Trust Agreement, dated as of July 1, 2022, for the purpose of replacing the LIBOR Index Rate with the SOFR Index Rate and making other changes to the Sixth Supplemental Trust Agreement;

WHEREAS, the County will issue, from time to time, Demand Obligations evidencing the County’s obligation to make Teeter distributions to the participating taxing agencies;

WHEREAS, the Board believes it is in the County’s best interest to continue to issue, from time to time, Series B Notes, as either taxable or tax-exempt notes, pursuant to a Seventh Supplemental Trust Agreement, by and between the County and Trustee;

WHEREAS, the proceeds of the Series B Notes issued from time to time will be applied to refund outstanding Series B Notes, to refund Demand Obligations and to pay costs of issuance of the Series B Notes; and

WHEREAS, there have been presented to this meeting proposed forms of the following documents:

1. a Seventh Supplemental Trust Agreement relating to the Series B Notes;
2. a Form of Demand Obligation;
3. a Third Amended and Restated Note Purchase and Reimbursement Agreement, between the County and Wells Fargo Bank, National Association; and
4. a Fifth Amended and Restated Fee and Interest Rate Agreement, between the County and Wells Fargo Bank, National Association.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE AS FOLLOWS:

Section 1. The Board of Supervisors of the County of Orange (the “Board”) hereby finds and declares that the issuance of the Series B Notes to finance and refinance the County’s statutory obligations to make distributions to the participating taxing agencies pursuant to the Law, and the other actions contemplated by this resolution, are in the best interests of the County.

Section 2. The Board hereby authorizes the issuance, from time to time, of County of Orange, California Teeter Plan Obligation Notes, Series B, in accordance with the provisions set forth in the Master Trust Agreement, as heretofore and hereby amended and supplemented, for the purpose of refunding outstanding Series B Notes, refunding Demand Obligations and paying costs of issuance of the Series B Notes. The Series B Notes may be either taxable or tax-exempt notes. The total aggregate principal amount of Series B Notes at any time Outstanding shall not exceed \$150,000,000 and the maturity date of the Series B Notes shall not be later than July 30, 2027, provided that the maturity date of the Series B Notes may be extended to July 30, 2029 (the “Authorized Extension”) if the terms of such Authorized Extension, including the interest rate of the Series B Notes in an Updated Pricing as provided in the Third Amended and Restated Note Purchase and Reimbursement Agreement, are deemed to be acceptable by the Chair or Vice Chair of the Board, the County Executive Officer, the County Chief Financial Officer, the County Budget & Finance Director, or the County Finance Team Lead or any designee thereof (each an “Authorized Officer”), such approval to be conclusively evidenced by the execution and delivery of documents reflecting the Updated Pricing.

Section 3. The form of the Seventh Supplemental Trust Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Seventh Supplemental Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form of the Demand Obligation is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver, from time to time, a Demand Obligation in substantially said

form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of the Third Amended and Restated Note Purchase and Reimbursement Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Third Amended and Restated Note Purchase and Reimbursement Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of the Fifth Amended and Restated Fee and Interest Rate Agreement is hereby approved. Any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Fifth Amended and Restated Fee and Interest Rate Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Authorized Officers are each hereby authorized to prepay the Series B Notes and to deliver written directions to the Trustee to issue additional Series B Notes (subject to the parameters set forth in Section 2 hereof) from time to time for the purpose of refunding Series B Notes or Demand Obligations issued from time to time.

Section 8. The Clerk of the Board is hereby authorized and directed to attest the signature of the Authorized Officers or other County officials and to affix and attest the seal of the County as may be required or appropriate in connection with the execution and delivery of the documents approved herein.

Section 9. All terms, provisions and authorizations of the Teeter Plan Obligation Resolution and the Master Trust Agreement, as amended, shall remain in full force and effect. The Authorized Officers and other appropriate officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things, including taking any action to provide for the issuance of Series B Notes from time to time, including but not limited to executing and delivering other documents and closing certificates (including tax certificates) and entering into amendments and supplements to, or consents or approvals under, the Master Trust Agreement (including the Seventh Supplemental Trust Agreement), Third Amended and Restated Note Purchase and Reimbursement Agreement and Fifth Amended and Restated Fee and Interest Rate Agreement, including amendments or supplements to such documents relating to an Authorized Extension, and to pay the costs of issuance of the Series B Notes from time to time, including, but not limited to paying the fees and expenses of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, KNN Public Finance LLC, as the Municipal Advisor, and the Trustee, which they may deem necessary or advisable in order to consummate the issuance of the Series B Notes from time to time, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect immediately upon its passage.

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from KNN Public Finance, LLC, as the Municipal Advisor with respect to the issuance of the Series B Notes as described above (the “Series B Notes”), for consideration prior to the authorization in the foregoing Resolution for the proposed Series B Notes and related documents:

1. *True Interest Cost of the Series B Notes.* Assuming the issuance and sale of the Series B Notes in an initial amount of \$107,000,000 to effectuate the financing, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Series B Notes, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series B Notes, is 6.12%.

2. *Finance Charge of the Series B Notes.* Assuming such a principal amount of the proposed Series B Notes is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Series B Notes, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Series B Notes), is \$98,000.

3. *Amount of Proceeds to be received.* Assuming the issuance and sale of the Series B Notes in an initial amount of \$107,000,000 to effectuate the financing is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the County for sale of the Series B Notes less the Finance Charge of the Series B Notes described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Series B Notes, is \$107,000,000.

4. *Total Payment Amount.* Assuming the issuance and sale of the Series B Notes in an initial amount of \$107,000,000 to effectuate the financing is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the County will make to pay debt service on the Series B Notes plus the Finance Charge of the Series B Notes described in paragraph 2 above not paid with the proceeds of the Series B Notes, calculated to the final maturity of the Series B Notes, is \$121,630,915.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only based on the following principal assumptions: (i) the issuance and sale of the Series B Notes in an initial amount of \$107,000,000; (ii) the County will make periodic repayments of the Series B Notes from the receipt of delinquent property taxes in a pattern similar to the current fiscal year; (iii) the current interest rate will represent the average rate over the next three years, reflecting general market expectations that interest rates will trend downwards, at least in the short term; and (iv) the calculation of true interest costs takes into account both the interest cost on amounts drawn on the facility and the amounts paid for unutilized capacity. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the

timing and amount of Series B Notes purchased, the amortization of the Series B Notes and market interest rates at the time of each issuance and purchase. The actual interest rates on the Series B Notes will depend on the bond market. The actual amortization of the Series B Notes will also depend, in part, on market interest rates and final maturity including as may be affected by the Authorized Extension, if any. Market interest rates are affected by economic and other factors beyond the County's control.

SEVENTH SUPPLEMENTAL TRUST AGREEMENT

between the

COUNTY OF ORANGE, CALIFORNIA

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
Trustee

Dated as of July 1, 2024

Relating to

COUNTY OF ORANGE, CALIFORNIA
TEETER PLAN OBLIGATIONS

TEETER PLAN OBLIGATION NOTES, SERIES B

(Supplementing the Trust Agreement
dated as of August 1, 2008)

TABLE OF CONTENTS

ARTICLE I	DEFINITIONS.....	2
	Section 1.01. Additional Definitions	2
ARTICLE II	PLEDGE OF SERIES A TAXES; ESTABLISHMENT OF SERIES B PAYMENT FUND; TRANSFER OF FUNDS.....	12
	Section 2.01. Pledge of Series A Taxes	12
	Section 2.02. Establishment of Series B Payment Fund.....	12
	Section 2.03. Transfer of Funds	12
ARTICLE III	TERMS AND CONDITIONS OF SERIES B TEETER PLAN OBLIGATION; DEPOSIT OF FUNDS	12
	Section 3.01. Authorization and Issuance of the Series B Notes.....	12
	Section 3.02. Description of Series B Notes.....	13
	Section 3.03. Benchmark Replacement	15
ARTICLE IV	TRANSFERABILITY	18
	Section 4.01. Transfer of Series B Notes	18
	Section 4.02. Exchange of Series B Notes.....	18
	Section 4.03. Series B Note Register	19
	Section 4.04. Series B Notes Mutilated, Lost, Destroyed or Stolen	19
ARTICLE V	ACCELERATION.....	19
	Section 5.01. Acceleration	19
ARTICLE VI	MISCELLANEOUS	20
	Section 6.01. Terms of Series B Notes Subject to the Trust Agreement.....	20
	Section 6.02. Effective Date of Seventh Supplemental Trust Agreement.....	20
	Section 6.03. Execution in Counterparts.....	20
EXHIBIT A FORM OF SERIES B NOTE.....		A-1
EXHIBIT B INVESTOR LETTER		B-1

THIS SEVENTH SUPPLEMENTAL TRUST AGREEMENT made and entered into and dated as of July 1, 2024 (the “Seventh Supplemental Trust Agreement”) by and between the COUNTY OF ORANGE, CALIFORNIA, a political subdivision, duly organized and existing under the Constitution and the laws of the State of California (the “County”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of United States of America, as trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, the County has issued \$178,300,000 aggregate principal amount of Series A Notes on August 25, 2008 under a trust agreement, dated as of August 1, 2008 (the “Master Trust Agreement”), by and between the County and the Trustee;

WHEREAS, the Master Trust Agreement provides that the County may from time to time increase the principal amounts or issue additional series of Obligations, upon compliance with the provisions, and subject to the conditions, set forth in the Master Trust Agreement;

WHEREAS, the County issued additional Series A Notes on July 14, 2009 under a First Supplemental Trust Agreement, dated as of July 1, 2009, by and between the County and the Trustee;

WHEREAS, the County issued additional Series A Notes on July 13, 2010 under a Second Supplemental Trust Agreement, dated as of July 1, 2010, by and between the County and the Trustee;

WHEREAS, the County issued additional Series A Notes on July 12, 2011 under a Third Supplemental Trust Agreement, dated as of July 1, 2011, by and between the County and the Trustee;

WHEREAS, the County issued additional Series A Notes on July 17, 2012 under a Fourth Supplemental Trust Agreement, dated as of July 1, 2012, by and between the County and the Trustee;

WHEREAS, the County issued Teeter Plan Obligation Notes, Series B (the “Series B Notes”) under a Fifth Supplemental Trust Agreement (the “Fifth Supplemental Trust Agreement”), by and between the County and the Trustee, dated as of February 1, 2013, to refund the Outstanding Series A Notes, and to issue Series B Notes from time to time to refund Series B Notes and Demand Obligations issued from time to time;

WHEREAS, the County entered into a First Amendment to Fifth Supplemental Trust Agreement, date as of January 1, 2016, for the purpose of extending the maturity date of the Series B Notes and making other changes to the Fifth Supplemental Trust Agreement;

WHEREAS, the County entered into a Second Amendment to Fifth Supplemental Trust Agreement, dated as of July 1, 2017, for the purpose of adding provisions relating to a taxable interest rate and making other changes to the Fifth Supplemental Trust Agreement;

WHEREAS, the County issued, from time to time, additional Series B Notes, under an Amended and Restated Fifth Supplemental Trust Agreement, dated as of July 1, 2018, by and between the County and the Trustee;

WHEREAS, the County issued additional Series B Notes under a Sixth Supplemental Trust Agreement, dated as of July 1, 2021, by and between the County and the Trustee (the “Sixth Supplemental Trust Agreement”);

WHEREAS, the County entered into an Amended and Restated Sixth Supplemental Trust Agreement, dated as of July 1, 2022, for the purpose of replacing the LIBOR Index Rate with the SOFR Index Rate and making other changes to the Sixth Supplemental Trust Agreement; and

WHEREAS, the County has determined it is in the County’s best interests to issue additional Series B Notes, from time to time, to refund outstanding Series B Notes and to refund Demand Obligations issued from time to time, all under and in accordance with the Master Trust Agreement and this Seventh Supplemental Trust Agreement;

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

ARTICLE I

DEFINITIONS

Section 1.01. Additional Definitions. Except as otherwise provided herein all terms defined in the Master Trust Agreement shall have the same meanings when used in this Seventh Supplemental Trust Agreement as are given in Section 1.01 of the Master Trust Agreement, except for the following terms which are used in the Master Trust Agreement and which shall be amended to read as follows:

“**Affiliate**” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the Person specified.

“**Applicable Factor**” means 80%.

“**Applicable Spread**” means thirty-seven basis points (0.37%) per annum for Notes bearing interest at the Tax-Exempt SOFR Index Rate and fifty-nine basis points (0.59%) per annum for Notes bearing interest at the Taxable SOFR Index Rate; provided, however, that

in the event that the County Rating shall change to the ratings specified below, the Applicable Spread shall be the number of basis points associated with such new rating as set forth in the following table:

Tier	County Ratings (Moody's/S&P/Fitch)	Applicable Spread for Tax-Exempt SOFR Index Rate	Applicable Spread for Taxable SOFR Index Rate
I	Aa2/AA/AA or above	0.37%	0.59%
II	Aa3/AA-/AA-	0.445%	0.665%
III	A1/A+/A+	0.595%	0.815%
IV	A2/A/A	0.745%	0.965%
V	A3/A-/A-	0.895%	1.115%
VI	Baa1/BBB+/BBB+	1.145%	1.365%
VII	Baa2/BBB/BBB	1.495%	1.715%
VIII	Baa3/BBB-/BBB-	1.995%	2.215%

In the case of a split rating or differing ratings as between and among the Rating Agencies and (i) all three Rating Agencies then provide a County Rating and any two of the County Ratings are at the same Level in the schedule above, the Applicable Spread shall be that set forth in the Level associated with the two equivalent County Ratings as set forth in the schedule above, (ii) all three Rating Agencies then provide a County Rating and no County Ratings provided by the Rating Agencies are at the same Level in the schedule above, the Applicable Spread shall be calculated based on the number of basis points set forth in the Level associated with the lowest of the two highest County Ratings as set forth in the schedule above, (iii) only two Rating Agencies then provide a County Rating, the Applicable Spread shall be calculated based on the number of basis points set forth in the Level associated with the lower County Rating as set forth in the schedule above and (iv) only one Rating Agency then provides a County Rating, the Applicable Spread shall be calculated based on the number of basis points set forth in the Level associated with such County Ratings. References in this definition of Applicable Spread are to rating categories as presently determined by the Rating Agencies, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such Rating Agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein.

“**Approving Opinion**” means a written opinion of Bond Counsel, addressed to the County and the Purchaser to the effect that the new Benchmark Replacement will not, in and of itself, cause interest on the outstanding Tax-Exempt Series B Notes to be included in gross income for purposes of federal income taxation.

“Authorized Denomination” means \$5,000,000 or any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” shall mean the County Executive Officer, County Chief Financial Officer, County Budget & Finance Director, the County Finance Team Lead or their designee, or any other officer or employee of the County so authorized or appointed by the Board of Supervisors.

“Benchmark” means, initially, Daily Simple SOFR; *provided, however*, that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior Benchmark pursuant to Section 3.03 hereof.

“Benchmark Replacement” means with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Purchaser giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities and (b) the related Benchmark Replacement Adjustment. Notwithstanding anything herein to the contrary, during any period of time while the Benchmark Replacement, determined as provided above, would be less than zero percent (0.0%), the Benchmark Replacement shall be deemed to be zero percent (0.0%).

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Purchaser giving due consideration to (i) any selection or recommendation by the Relevant Governmental Body at such time of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark; or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if such Benchmark (or such component thereof) continues to be provided on such date.

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) is not, or as of a specified future date will not be, representative.

“**Benchmark Transition Start Date**” means, in the case of a related Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under each of the other Financing Documents in accordance with Section 3.03 hereof and (y) ending at the

time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder.

“**Calculation Agent**” means Wells Fargo Bank, National Association, or any other Person appointed by the County, with the consent of the Purchaser, to serve as calculation agent for the Series B Notes.

“**Conforming Changes**” means, with respect to either the use or administration of SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including, without limitation, changes to the definition of “U.S. Government Securities Business Day,” the definition of “Business Day,” the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods and other technical, administrative or operational matters) that the Purchaser decides may be appropriate to reflect the adoption and implementation of a Benchmark Replacement or to permit the use and administration of SOFR or a Benchmark Replacement by the Purchaser in a manner substantially consistent with market practice (or, if the Purchaser decides that adoption of any portion of such market practice is not administratively feasible or if the Purchaser determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Purchaser decides is reasonably necessary in connection with the administration of this Agreement and the other Financing Documents).

“**County Rating**” means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each of Moody’s, Fitch and S&P to lease revenue indebtedness of the County.

“**Daily Simple SOFR**” means, for any day (a “*SOFR Rate Day*”), a rate per annum equal to SOFR for the day (such day, a “*SOFR Determination Day*”) that is two (2) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; *provided, however*, that if Daily Simple SOFR determined as provided above would be less than the zero percent (0.0%), then Daily Simple SOFR shall be deemed to be zero percent (0.0%). If by 5:00 p.m. on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website; *provided* that any SOFR as determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days and (b) zero percent (0.0%). Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the County.

“Date of Delivery” means the date of issuance of any Series B Notes.

“Default Rate” has the meaning set forth in the Purchase Agreement.

“Demand Obligations” means obligations evidencing the County’s obligation to make Teeter distributions to participating taxing agencies.

“Determination of Taxability” solely with the respect to Tax-Exempt Notes, means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the County files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Noteholder or any former Noteholder notifies the County that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the County of such notification from the Noteholder or former Noteholder, the County shall deliver to the Noteholder or former Noteholder a ruling or determination letter issued to or on behalf of the County by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the County shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the County, or upon any review or audit of the County or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the County shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Noteholder or such former Noteholder the interest on the Notes due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the County has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Noteholder or former Noteholder, the County shall promptly reimburse such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“Event of Taxability” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without

limitation, the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of any Tax-Exempt Notes or any purchase thereof) which has the effect of causing interest paid or payable on such Tax-Exempt Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes with respect to Tax-Exempt Notes.

“**Excess Interest**” has the meaning set forth in Section 3.02(b)(iv)(C) hereof.

“**Fee and Interest Rate Agreement**” means that certain Fifth Amended and Restated Fee and Interest Rate Agreement dated July __, 2024, as amended, restated, supplemented or otherwise modified from time to time, between the County and the Purchaser.

“**Financing Document**” has the meaning set forth in the Purchase Agreement.

“**Fixed Rate Addendum**” has the meaning set forth in the Purchase Agreement.

“**Fixed Rate Note**” means a Series B Note bearing interest at the Taxable Fixed Rate or the Tax-Exempt Fixed Rate, as applicable.

“**Interest Payment Date**” means for the Series B Notes, the first Business Day of each calendar month following the Date of Delivery, any date of prepayment of the Series B Notes and the Maturity Date.

“**Interest Period**” means, with respect to any Fixed Rate Note, the period from (and including) the related Date of Delivery to (but excluding) the related Maturity Date, and with respect to any SOFR Notes the period from, and including, each Interest Payment Date for such SOFR Notes to, and including, the day next preceding the next Interest Payment Date for such SOFR Notes, provided, however, that the first Interest Period for any SOFR Note shall begin on (and include) the date of issuance of the SOFR Notes and the final Interest Period shall end on the day next preceding the Maturity Date.

“**Investor Letter**” means the Investor Letter executed and delivered by the Purchaser or any other Holder of Series B Notes, substantially in the form of Exhibit B hereto.

“**Law**” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other governmental authority.

“**Margin Rate Factor**” means the product of (a) one minus the prevailing Maximum Federal Corporate Tax Rate multiplied by (b) the quotient of (A) one divided by (B) (x) one minus (y) the Maximum Federal Corporate Tax Rate on [Closing Date], 2024. The

effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“**Maturity Date**” means July 30, 2027, subject to extension upon satisfaction of the conditions set forth in Section 3.08 of the Purchase Agreement or, with respect to any Fixed Rate Notes, the maturity date as established in the related Request for Purchase.

“**Maximum Federal Corporate Tax Rate**” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser).

“**Maximum Rate**” means the lesser of (i) 25% per annum and (ii) the maximum non usurious rate of interest permitted by applicable law.

“**Original Date of Issuance**” means [Closing Date], 2024.

“**Par Call Date**” has the meaning set forth in the applicable Request for Purchase, if any.

“**Prepayment Date**” means any date fixed for prepayment of any Series B Note pursuant to Section 3.02(c) hereof.

“**Purchase Agreement**” means, the Third Amended and Restated Note Purchase and Reimbursement Agreement, dated as of July 1, 2024, between the County and Wells Fargo Bank, National Association, as the same may be further amended, supplemented, restated or otherwise modified from time to time.

“**Purchase Date**” means each date on which any Series B Notes are issued by the County and purchased by the Purchaser.

“**Purchaser**” means Wells Fargo Bank, National Association, and their successors and assigns as provided in the Purchase Agreement.

“**Record Date**” means the close of business on the Business Day immediately preceding an Interest Payment Date.

“**Relevant Governmental Body**” means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

“**Request for Purchase**” has the meaning set forth in the Purchase Agreement.

“**Series A Taxes**” means (i) the right to collect any uncollected tax-defaulted secured roll (exclusive of supplemental roll) property taxes and assessments due to the County and the other Revenue Districts for all fiscal years through the fiscal year ending June 30, 2025

and such other fiscal years, if any, as may be specified in a Supplemental Trust Agreement, (ii) all amounts received by the County upon the sale of property to recover such property taxes or assessments, and (iii) all amounts received by the County upon the redemption of properties for sale or previously sold to recover such property taxes or assessments, in each case to which the County is entitled, including as a consequence of electing to being governed by the Law, and in each case following the allocation by the County of the receipts of property taxes and assessments between the Revenue Districts and those public districts within the County which have not agreed that the Law shall apply to them; provided, however, that Series A Taxes shall not include (i) the right to collect delinquencies in property taxes due to an Independent District for all fiscal years prior to the fiscal year in which the respective Independent District agreed (pursuant to Section 4715 of the Law) that the Law shall apply to it, (ii) Delinquency Penalties, (iii) interest or Redemption Penalties, (iv) any and all costs and fees paid pursuant to, without limitation, Sections 2621, 4102(d), 4112 and 4221 (with respect to the installment plan) of the Taxation Code and (v) installment payments made pursuant to Section 4217 et. seq. of the Taxation Code with respect to properties otherwise subject to Series A Taxes. Series A Taxes shall not include Other Taxes.

“**Series B Notes**” means the Teeter Plan Obligation Notes, Series B, issued from time to time pursuant to the terms of Article III hereof.

“**Series B Obligations**” means the Series B Notes and obligations owing to the Purchaser pursuant to the Purchase Agreement.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**SOFR Determination Day**” has the meaning set forth in the definition of “Daily Simple SOFR”.

“**SOFR Index Rate Period**” means, with respect to SOFR Notes, the period from and including the date of issuance of such SOFR Notes to but excluding the Maturity Date.

“**SOFR Notes**” means Series B Notes bearing interest at the Taxable SOFR Index Rate or the Tax-Exempt SOFR Index Rate, as applicable.

“**SOFR Rate Day**” has the meaning set forth in the definition of “Daily Simple SOFR”.

“**Swap Contract**” has the meaning set forth in the Purchase Agreement.

“**Taxable Date**” means the date as of which interest on any Tax-Exempt Notes is first includable in the gross income of the Holders (including, without limitation, any previous Holders) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“**Taxable Fixed Rate**” means a per annum rate of interest established by the Calculation Agent on each Date of Delivery.

“**Taxable SOFR Index Rate**” means the sum of (i) Daily Simple SOFR and (ii) the Applicable Spread.

“**Taxable Rate**” means, (a) with respect to any SOFR Note, the Taxable SOFR Index Rate during the Taxable Period, and (b) with respect to any Fixed Rate Note, the product of (i) the applicable Tax-Exempt Fixed Rate for such Fixed Rate Note and (ii) the Taxable Rate Factor.

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

“**Taxable Series B Notes**” means Series B Notes bearing interest at the Taxable SOFR Index Rate or the Taxable Fixed Rate, as applicable.

“**Tax-Exempt Fixed Rate**” means a per annum rate of interest established by the Calculation Agent on each Date of Delivery.

“**Tax-Exempt Fixed Rate Note**” means a Series B Note bearing interest at the Tax-Exempt Fixed Rate.

“**Tax-Exempt SOFR Index Rate**” means the product of (a) the sum of (x) the product of (i) the Applicable Factor and (ii) Daily Simple SOFR plus (y) the Applicable Spread and (b) the Margin Rate Factor.

“**Tax-Exempt Series B Notes**” means Series B Notes bearing interest at the Tax-Exempt SOFR Index Rate or the Tax-Exempt Fixed Rate, as applicable.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**U.S. Government Securities Business Day**” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; *provided*, that for purposes of notice requirements in Section 2.01(f) of the Purchase Agreement, in each case, such day is also a Business Day.

ARTICLE II

PLEDGE OF SERIES A TAXES; ESTABLISHMENT OF SERIES B PAYMENT FUND; TRANSFER OF FUNDS

Section 2.01. Pledge of Series A Taxes. All Series A Taxes shall be governed by the provisions of Section 3.02 of the Master Trust Agreement, and the security interest and pledge created pursuant to said Section 3.02 shall extend to the Series B Obligations. The lien shall continue so long as Series B Obligations remain Outstanding.

Section 2.02. Establishment of Series B Payment Fund. There is hereby established with the Trustee, for the benefit of the Holders of the Series B Obligations, a special fund designated as the "Series B Payment Fund." Moneys in the Series B Payment Fund shall be held by the Trustee in trust, and shall be applied for the purposes and as directed herein. Any moneys deposited in the Series B Payment Fund shall be for the benefit of all Holders of the Series B Obligations, and there is hereby created in favor of such Holders a pledge of all amounts in the Series B Payment Fund, which pledge, without any further action being required, shall constitute a lien and security interest for the benefit of such Holders.

Section 2.03. Transfer of Funds. (a) On or prior to the Business Day preceding each Interest Payment Date, the County shall transfer from the General Fund (including but not limited to Series A Taxes on deposit in the Series A Taxes Account) to the Trustee an amount sufficient to pay interest on the Series B Notes on the next Interest Payment Date. Such amount shall be deposited by the Trustee in the Series B Payment Fund and shall be applied to pay the interest on the Series B Notes due on the Interest Payment Date.

(b) On or prior to the Business Day preceding the Maturity Date, the County shall transfer from the General Fund (including but not limited to Series A Taxes on deposit in the Series A Taxes Account) an amount sufficient to pay the principal of the Series B Notes due on the Maturity Date. Such amount shall be deposited by the Trustee in the Series B Payment Fund and shall be applied to pay the principal of the Series B Notes due on the Maturity Date.

(c) In addition to the transfers set forth in subsection (a) and (b) above, the County shall transfer Series A Taxes held in the Series A Taxes Account to the Trustee to be applied to the prepayment of Series B Notes in accordance with the Tax Certificate.

(d) Notwithstanding subsections (a), (b) and (c) above, as long as the Purchaser is the Holder of all of the Series B Notes, the County shall not be required to transfer moneys to the Trustee pursuant to subsections (a), (b) and (c) above but may, following written notice to the Trustee, pay such amounts directly to the Purchaser by wire transfer.

ARTICLE III

TERMS AND CONDITIONS OF SERIES B TEETER PLAN OBLIGATION; DEPOSIT OF FUNDS

Section 3.01. Authorization and Issuance of the Series B Notes. (a) The County may issue Series B Notes from time to time in an Outstanding aggregate principal

amount not to exceed \$_____ subject to the satisfaction of the conditions precedent set forth in Section 4.01 of the Purchase Agreement. The principal amount of the Series B Notes and interest thereon shall be payable on the basis specified in Section 3.02 hereof. Pursuant to Section 3.03 and 3.04 of the Master Trust Agreement, the County is issuing \$_____ aggregate principal amount of the Series B Notes on the Original Date of Issuance, of which \$_____ shall be deposited in the Refunding Fund (which fund is hereby established with the Trustee) and applied to refund the outstanding Series B Notes, \$_____ shall be applied to refund a Demand Obligation and \$_____ shall be deposited in the Costs of Issuance Fund and applied to pay Initial Costs of Issuance. The Refunding Fund shall be closed by the Trustee after the moneys deposited have been applied to the refunding of the outstanding Series B Notes. Following the earlier of the payment of all Initial Costs of Issuance or December 31, 2024, any moneys in the Costs of Issuance Fund shall be transferred to the Series B Payment Fund.

(b) Additional Series B Notes (which may be taxable or tax-exempt) shall be issued from time to time upon delivery by the County of a Request for Purchase to the Purchaser in accordance with Section 2.01(f) of the Purchase Agreement and subject to the conditions precedent set forth in Section 4.07 of the Purchase Agreement, not less than (i) three (3) Business Days prior to the issuance of any additional SOFR Notes and (ii) five (5) Business Days prior to the issuance of any additional Fixed Rate Notes and the proceeds thereof shall be applied to refund Series B Notes, refund Demand Obligations and pay the Initial Costs of Issuance, as set forth in the written direction of the County.

(c) An Authorized Officer is hereby authorized to sign the Series B Notes by use of his/her manual or facsimile signature, and the Clerk of the Board of Supervisors is hereby authorized to countersign the Series B Notes by use of his/her manual or facsimile signature and to affix the seal of the Board of which Supervisors thereto by facsimile impression thereon. The Series B Notes shall not be valid, however, unless and until the Trustee shall have manually authenticated such Series B Notes.

Section 3.02. Description of Series B Notes.

(a) **General Terms of the Series B Notes.** Each Series B Note shall be dated its respective Date of Delivery, shall mature on the Maturity Date, and shall be issued in fully registered form, without coupons in an Authorized Denomination.

Interest on Series B Notes shall be paid in arrears on each Interest Payment Date to the Holders, such interest to be paid by wire transfer to the Holders on such Interest Payment Date. Principal of the Series B Notes shall be payable on the Maturity Date in lawful money of the United States of America, upon presentation and surrender of the Series B Notes, at the principal office of the Trustee. All payments of principal or interest shall be made in immediately available funds.

(b) **Interest on Series B Notes.** (i) The County shall identify in the Request for Purchase delivered pursuant to Section 3.01(b) hereof and the terms of the Purchase Agreement whether the Series B Notes to be issued shall bear interest at the Tax-Exempt SOFR Index Rate, the Tax-Exempt Fixed Rate, the Taxable SOFR Index Rate or the Taxable Fixed Rate. If the Series B Notes are to bear interest at the Tax-Exempt SOFR Index Rate or the Tax-

Exempt Fixed Rate, the County shall also state in such written direction that the interest on such Series B Notes shall be excluded from gross income for federal income taxes. If the Series B Notes are to bear interest at the Taxable SOFR Index Rate or the Taxable Fixed Rate, the County shall also state in such written direction that the interest on such Series B Notes shall be included in gross income for federal income taxes. The interest rate on the Series B Notes shall not exceed the Maximum Rate. The interest rate on the Series B Notes bearing interest at the Taxable SOFR Index Rate, the Taxable Fixed Rate, the Tax-Exempt SOFR Index Rate or the Tax-Exempt Fixed Rate shall be calculated on the basis of a year of 360 days for the actual number of days elapsed.

(ii) [Reserved]

(iii) [Reserved]

(iv) (A) From and after any Taxable Date, the interest rate on the Tax-Exempt Series B Notes shall be established at a rate at all times equal to the Taxable Rate.

(B) Notwithstanding the foregoing provisions of this Section 3.02(b), upon (i) the occurrence and continuation of an Event of Default, (ii) the withdrawal or suspension of any County Rating for any reason or (iii) the reduction of any County Rating below “BBB-” (or its equivalent) by S&P, “BBB-” (or its equivalent) by Fitch or “Baa3” (or its equivalent) by Moody’s, the interest rate applicable to the Series B Notes shall be established at a rate at all times equal to the greater of (A) the Default Rate and (B) the interest rate that otherwise would be applicable to the Series B Notes but for the provisions of this paragraph.

(C) If the rate of interest on the Series B Notes exceeds the Maximum Rate, then (i) the Series B Notes shall bear interest at the Maximum Rate and (ii) interest on the Series B Notes calculated at the rate equal to the difference between (A) the rate of interest for the Series B Notes as calculated pursuant to this Seventh Supplemental Trust Agreement without regard to the Maximum Rate and (B) the Maximum Rate (the “Excess Interest”) shall be deferred until such date as the rate of interest borne by the Series B Notes as calculated pursuant to Section 3.02(b) hereof is below the Maximum Rate, at which time Excess Interest shall be payable with respect to the Series B Notes, which payments of deferred Excess Interest shall continue to apply until all deferred Excess Interest with respect to the Series B Notes is fully paid.

(v) The Taxable SOFR Index Rate and Tax-Exempt SOFR Index Rate shall be determined in accordance with Section 3.02(b)(vi) hereof. The Calculation Agent shall notify the Trustee and the County of the Taxable SOFR Index Rate or the Tax-Exempt SOFR Index Rate, as applicable, for each applicable period therefor in accordance with Section 3.02(b)(vi) hereof.

(vi) The Calculation Agent shall determine the Taxable SOFR Index Rate or the Tax-Exempt SOFR Index Rate, as applicable, on each SOFR Determination Date during a SOFR Index Rate Period and interest at such variable rate shall accrue each day during each Interest Period, commencing on and including the first day of each such period to but excluding the last day of each such Interest Period. The Taxable SOFR Index Rate and the Taxable SOFR Index Rate shall be rounded upward to the fifth decimal place. Upon the request of the County,

the Calculation Agent shall notify the County of the interest rates for the Series B Notes and (ii) the Calculation Agent shall notify the County not less than five Business Days before each Interest Payment Date of the amount of interest due and payable on the Series B Notes on such Interest Payment Date. If the Taxable SOFR Index Rate or the Tax-Exempt SOFR Index Rate, as applicable, is not determined by the Calculation Agent on a SOFR Determination Date, the rate of interest born on such Series B Notes shall be the rate in effect on the immediately preceding day until the Calculation Agent next determines the Taxable SOFR Index Rate or Tax-Exempt SOFR Rate, as applicable, as required hereunder. The Taxable SOFR Index Rate shall be subject to subsection (iv)(B) and (C) of this Section 3.02(b) and the Tax-Exempt SOFR Index Rate shall be subject to subsection (iv)(A), (B) and (C) of this Section 3.02(b).

With respect to any Fixed Rate Note to be issued hereunder, the Calculation Agent shall determine the Taxable Fixed Rate or the Tax-Exempt Fixed Rate, as applicable, for such Series B Note upon receipt of a Request for Purchase from the County designating that such Series B Note shall bear interest at the Taxable Fixed Rate or the Tax-Exempt Fixed Rate and designating the Maturity Date and, if applicable, the Fixed Rate Par Call Date for such Series B Note. Upon receipt of such a Request for Purchase delivered in accordance with the Purchase Agreement, the Calculation Agent shall determine the Taxable Fixed Rate or Tax-Exempt Fixed Rate, as applicable, and shall notify the County thereof pursuant to the Fixed Rate Addendum to be attached to the related Request for Purchase. Upon delivery of the fully executed Fixed Rate Addendum accepted by the County, the Taxable Fixed Rate or Tax-Exempt Fixed Rate shall become effective on the Date of Delivery identified in the related Request for Purchase. The Taxable Fixed Rate shall be subject to subsection (iv)(b) and (c) of this Section 3.02(b) and the Tax-Exempt Fixed Rate shall be subject to subsection (iv)(a), (b) and (c) of this Section 3.02(b).

(c) **Prepayment of Series B Notes.** The Series B Notes shall be subject to prepayment at the option of the County, in whole or in part, on any date prior to the Maturity Date. The prepayment price for any SOFR Notes will be equal to the principal amount of the Series B Notes to be prepaid, without premium, plus accrued interest through (but not including) the date fixed for prepayment. The prepayment price for any Fixed Rate Notes will be equal to the principal amount of the Fixed Rate Notes to be prepaid, plus accrued interest through (but not including) the date fixed for prepayment, and any amounts owing pursuant to Section 3.10 of the Purchase Agreement. The County shall provide written notice of a prepayment of any SOFR Notes to the Trustee at least three Business Days prior to the date of prepayment, and notice of prepayment of the Series B Notes shall be given by the Trustee to the Holders of SOFR Notes at least one Business Day prior to the date of prepayment. The County shall provide written notice of a prepayment of any Fixed Rate Notes to the Trustee at least ten Business Days prior to the date of prepayment, and notice of prepayment of the Series B Notes shall be given by the Trustee to the Calculation Agent and the Holders of SOFR Notes at least five Business Days prior to the date of prepayment. Each notice shall include the prepayment date and the prepayment amount. If less than all of the Series B Notes shall be called for prepayment, the Series B Notes to be prepaid shall be selected by the County.

Section 3.03. Unavailability; Illegality; Benchmark Replacement.

(a) Inability to Determine Interest Rates; Illegality. Subject to clause (b) below, if the Purchaser determines (any determination of which shall be conclusive and binding

on the County) that either (i) Daily Simple SOFR cannot be determined pursuant to the definition thereof other than as a result of a Benchmark Transition Event (an “Inability Determination”) or (ii) any law has made it unlawful, or that any governmental authority has asserted that it is unlawful, for the Purchaser to make or maintain loans based on SOFR or Daily Simple SOFR, or to determine or charge interest rates based upon SOFR or Daily Simple SOFR (an “Illegality Determination”), then Purchaser will so notify the County. The outstanding principal balance of (i) each Taxable SOFR Rate Note shall bear interest at a fluctuating rate per annum determined by Purchaser to be equal to the Prime Rate (as defined in the Fee and Interest Rate Agreement) in effect from time to time and (ii) each Tax-Exempt SOFR Rate Note shall bear interest at a fluctuating rate per annum determined by Purchaser to be equal the product of (i) the Prime Rate and (ii) eighty percent (80%), in each case, from the date of an Inability Determination or an Illegality Determination until the Purchaser revokes such Inability Determination or notifies the County that the circumstances giving rise to such Illegality Determination no longer exist, as applicable. Notwithstanding any of the foregoing to the contrary, if a Benchmark Replacement is subsequently determined in accordance with applicable Benchmark Replacement Provisions, that Benchmark Replacement, plus any applicable margin, will become effective on the Benchmark Replacement Date and will then supersede the Prime Rate determined in accordance with this provision.

(b) **Benchmark Replacement Setting.**

(i) **Benchmark Replacement**

(A) Notwithstanding anything to the contrary herein or in any other Financing Document (for the purposes of this Section 3.03(b), a Swap Contract is not a Financing Document), upon the occurrence of a Benchmark Transition Event with respect to any Benchmark, the Purchaser shall determine the Benchmark Replacement to replace Daily Simple SOFR for all purposes of this Agreement and the other Financing Documents. The Benchmark Replacement shall be used to replace Daily Simple SOFR on and after the SOFR Determination Day which first occurs on or after the fifth (5th) Business Day after the County is provided with notice as described in 3.03(b)(iii) hereof. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 3.03(b) will occur prior to the applicable Benchmark Transition Start Date. Any Benchmark Replacement will become effective on the applicable Benchmark Replacement Date without any further action or consent of the County.

(ii) **Benchmark Replacement Conforming Changes.** In connection with the adoption, implementation, use and administration of any Benchmark, the Purchaser will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Financing Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of the County or any other party hereto or to any other Financing Document. The Purchaser will promptly notify the County of the effectiveness of any Conforming Changes in connection with the use or administration of any Benchmark.

(iii) **Notices; Standards for Decisions and Determinations.** The Purchaser will promptly notify the County of (i) the occurrence of any Benchmark Transition Event and the related Benchmark Transition Start Date, (ii) the applicable Benchmark Replacement determined

by the Purchaser with respect to such Benchmark Transition Event and (iii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Purchaser shall use commercially reasonable efforts to provide the notices set forth in the immediately preceding sentence ninety (90) days prior to the Benchmark Transition Start Date; provided, however, that (i) since the timing of such events are not within the Purchaser's sole control, the County acknowledges and agrees that it may be impossible for the Purchaser to determine if such events are occurring ninety (90) days prior to the Benchmark Transition Start Date and, in such case, the Purchaser shall use commercially reasonable efforts to provide such notice as soon as reasonably possible and (ii) the failure of the Purchaser to provide any such notice shall not affect the effectiveness of the terms and conditions of this Section 3.03. Any determination, decision or election that may be made by the Purchaser pursuant to this Section 3.03(b)(iii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in the Purchaser's sole discretion and without consent the County or any other party hereto or to any other Financing Document.

(iv) **Benchmark Unavailability Period.** During a Benchmark Unavailability Period, the Benchmark shall be, in the case of Taxable Series B Notes, the Prime Rate (as defined in the Purchase Agreement) and in the case of Tax-Exempt Series B Notes, the product of (i) the Prime Rate and (ii) eighty percent (80%). Upon the commencement of a Benchmark Unavailability Period, the County may revoke any pending request for a purchase hereunder.

(v) **Favorable Opinion of Bond Counsel.** If any Tax-Exempt Series B Note is then outstanding, the County shall cause an Approving Opinion to be delivered to the Purchaser each time a new Benchmark Replacement is determined and, notwithstanding anything to the contrary herein or in any other Financing Document, in no event shall a Benchmark Replacement replace the then-current Benchmark prior to the Purchaser's receipt of the Approving Opinion with respect to such Benchmark Replacement.

The Purchaser does not warrant or accept any responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referred to in the definitions thereof or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark, the Tax-Exempt SOFR Index Rate or the Taxable SOFR Index Rate or any other Benchmark, the Tax-Exempt SOFR Index Rate or the Taxable SOFR Index Rate prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. To the extent permitted by law, the Purchaser and its affiliates or other related entities may engage in transactions that affect the calculation of the Benchmark, the Tax-Exempt SOFR Index Rate or the Taxable SOFR Index Rate any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the County. The Purchaser may select information sources or services in its reasonable discretion to ascertain the Benchmark, any component definition thereof or rates referred to in the definitions

thereof, in each case pursuant to the terms of this Seventh Supplemental Trust Agreement, and shall have no liability to the County or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE IV

TRANSFERABILITY

Section 4.01. Transfer of Series B Notes. Subject to the limitations set forth below with respect to Series B Notes, any Series B Note may, in accordance with its terms, be transferred, upon the registration books required to be kept pursuant to the provisions of Section 4.03, by the person in whose name it is registered, in person or by his attorney duly authorized in writing, upon surrender of such Series B Note for cancellation at the Principal Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee.

Whenever any Series B Note or Series B Notes shall be surrendered for transfer, the County shall execute and the Trustee shall authenticate and deliver a new Series B Note or Series B Notes of any Authorized Denomination for a like aggregate principal amount. The Trustee shall require the Holder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Notwithstanding anything set forth herein to the contrary, Series B Notes may be transferred without limitation to any Affiliate of the Purchaser or to a trust or custodial arrangement established by the Purchaser or an Affiliate of the Purchaser, each of the beneficial owners of which are “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and subject to the limitations, if any, set forth in the Purchase Agreement. Series B Notes may be transferred to another purchaser (other than an Affiliate of the Purchaser or a trust or custodial arrangement as described in the preceding sentence) if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the County and the Trustee by such transferor and (ii) such purchaser shall have delivered to the County, the Trustee and the transferor an Investor Letter in the form attached hereto as Exhibit B executed by a duly authorized officer of such purchaser; provided that each such purchaser shall constitute (1) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and (2) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this Section, of not less than \$5,000,000,000.

Section 4.02. Exchange of Series B Notes. Series B Notes may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Series B Notes of any Authorized Denomination. The Trustee shall require the Holder

requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

Section 4.03. Series B Note Register. The Trustee will keep or cause to be kept sufficient books for the registration, transfer and exchange of the Series B Notes, which shall be open to inspection by the County and the Purchaser upon reasonable advance notice and during normal business hours; and, upon presentation of any Series B Notes for such purpose, the Trustee shall, under such reasonable procedures as it may prescribe, register, transfer or exchange, or cause to be registered, transferred or exchanged, such Series B Notes on such books as hereinabove provided. The County and the Trustee may treat and consider the Person in whose name each Series B Note is registered in the registration books kept by the Trustee as the absolute Holder of such Series B Note for the purpose of payment or prepayment of the principal or interest on such Series B Note, for the purpose of giving notices of prepayment and other matters with respect to such Series B Note, for the purpose of registering transfers with respect to such Series B Note and for all other purposes whatsoever, and the County and the Trustee shall not be affected by any notice to the contrary.

Section 4.04. Series B Notes Mutilated, Lost, Destroyed or Stolen. If any Series B Note shall become mutilated, the County, at the expense of the Holder of such Series B Note, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series B Note of like tenor in exchange and substitution for the Series B Note so mutilated, but only upon surrender to the Trustee of the Series B Note so mutilated. Every mutilated Series B Note so surrendered to the Trustee shall be canceled by it in accordance with its customary procedures. If any Series B Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and the County, and if such evidence is satisfactory to each of them and indemnity satisfactory to the County and the Trustee shall be given to each of them, then, at the expense of the Holder, the County shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series B Note of like tenor and series in lieu of and in substitution for the Series B Note so lost, destroyed or stolen; provided that if any such Series B Note shall have matured or shall be about to mature, instead of issuing a substitute Series B Note, the Trustee may pay the same without surrender thereof. The County may require payment by the Holder of a sum not exceeding the actual cost of preparing each new Series B Note issued under this Section and of the expenses (including fees of counsel) which may be incurred by the County and the Trustee. Any Series B Note issued under the provisions of this Section in lieu of any Series B Note alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the County, and shall be entitled to the benefits of this Seventh Supplemental Trust Agreement with all other Series B Notes secured by this Seventh Supplemental Trust Agreement.

ARTICLE V

ACCELERATION

Section 5.01. Acceleration. If an Event of Default occurs hereunder or under the Purchase Agreement, the Purchaser by notice to the County (with a copy to the Trustee) may declare the principal of and accrued interest on the Series B Notes to be due and payable immediately. Upon any such declaration, the principal of and accrued interest on the Series B

Notes shall be due and payable immediately. The Purchaser may rescind an acceleration and its consequences if any and all payment defaults have been cured, but no such rescission shall extend to or affect any other existing default for which acceleration has been declared or any subsequent default or defaults or impair any rights or remedies consequent thereon.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Terms of Series B Notes Subject to the Trust Agreement.

Except as in this Seventh Supplemental Trust Agreement expressly provided, every term and condition contained in the Master Trust Agreement shall apply to this Seventh Supplemental Trust Agreement and to the Series B Notes with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Seventh Supplemental Trust Agreement.

This Seventh Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Master Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Master Trust Agreement. The Master Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

Section 6.02. Effective Date of Seventh Supplemental Trust Agreement.

This Seventh Supplemental Trust Agreement shall take effect on [Closing Date], 2024.

Section 6.03. Execution in Counterparts.

This Seventh Supplemental Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

COUNTY OF ORANGE, CALIFORNIA

By: _____
Authorized Officer

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

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES B NOTE

COUNTY OF ORANGE

TEETER PLAN OBLIGATION NOTES, SERIES B

No. _____

\$

**[THE TRANSFERABILITY OF THIS NOTE IS SUBJECT TO THE
LIMITATIONS SET FORTH IN THE
SEVENTH SUPPLEMENTAL TRUST AGREEMENT]**

<u>DATE OF DELIVERY</u>	<u>PRINCIPAL AMOUNT</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP NO.</u>
-----------------------------	-----------------------------	--------------------------	--------------------------	----------------------

REGISTERED
OWNER:

PRINCIPAL
AMOUNT:

The County of Orange (the "County") acknowledges itself indebted to, and for value received, hereby promises to pay pursuant to the Trust Agreement dated as of August 1, 2008 (as amended and supplemented, the "Trust Agreement"), by and between the County and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), to the registered owner specified above (the "Owner"), or to such Owner's registered assigns or personal representatives, at the principal office of the Trustee, the principal amount specified above on the Maturity Date specified above, together with interest thereon at the rate of [____ percent (__)% per annum from the Date of Delivery until Maturity Date for Fixed Rate Notes][_____ percent (__)% per annum from the Delivery Date until _____, and thereafter at the [Tax-Exempt SOFR Index Rate][Taxable SOFR Index Rate] until the Maturity Date for the SOFR Notes] in accordance with the terms of the Trust Agreement, in like lawful money from the Date of Delivery specified above until payment in full of said principal sum. Interest shall be payable on the Interest Payment Dates specified in the Trust Agreement. Interest is calculated on the basis of a 360 day year and actual days elapsed, as specified in the Trust Agreement. This Note is subject to prepayment pursuant to the terms and conditions set forth in the Trust Agreement.

This Note is issued under and pursuant to the Trust Agreement, payable from the general purpose revenues of the County and secured by a pledge of Series A Taxes, as described

in the Trust Agreement. By acceptance of this Note, the Owner consents to all the terms and conditions hereof, and of the Trust Agreement, a copy of which is on file with the County.

This Note may only be transferred in accordance with the terms of the Seventh Supplemental Trust Agreement, dated as of July 1, 2024, by and between the County and the Trustee.

The County and the Trustee may deem and treat the Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes and neither the County nor the Trustee shall be affected by any notice to the contrary.

This shall not be valid or become obligatory for any purpose until the certificate of registration hereon shall have been signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Trust Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the County of Orange has caused this Note to be executed in its name by the manual or facsimile signature of its Authorized Officer and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors, and caused its official seal or a facsimile thereof to be affixed hereto.

COUNTY OF ORANGE

By _____
Authorized Officer

(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This is the Note described in the within-mentioned Trust Agreement, which Note has been authenticated on the date set forth below.

Date of Authentication: _____

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

By _____
Authorized Signatory

EXHIBIT B

INVESTOR LETTER

_____, 20__

County of Orange
Hall of Administration
10 Civic Center Plaza, Third Floor
Santa Ana, California 92701

Re: County of Orange, California
Teeter Plan Obligation Notes, Series B

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all of the above-referenced notes (the “Notes”), dated their date of issuance. The Notes were issued under and secured in the manner set forth pursuant to (i) a Trust Agreement dated as of August 1, 2008, between the County of Orange, California (the “County”) and U.S. Bank Trust Company, National Association (the “Trustee”) (the “Original Agreement”), and (ii) a Seventh Supplemental Trust Agreement dated as of July 1, 2024, between the County and the Trustee (the “Amended and Restated Supplemental Agreement” and together with the Original Agreement, the “Agreement”). [_____] (the “Purchaser,” the “undersigned,” “us” or “we,” as applicable) is purchasing the Notes pursuant to a Third Amended and Restated Note Purchase and Reimbursement Agreement dated as of [Closing Date], 2024, among the County and Wells Fargo Bank, National Association. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Notes have not been registered pursuant to the Securities Act of 1933, as amended (the “1933 Act”), the securities laws of any state nor has the Agreement been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Notes (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.

2. We have not offered, offered to sell, offered for sale or sold any of the Notes by means of any form of general solicitation or general advertising, and we are not an underwriter of the Notes within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.

4. We have authority to purchase the Notes and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Notes.

5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

6. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and is a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date hereof, and is able to bear the economic risks of such investment.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The undersigned has made its own inquiry and analysis with respect to the County, the Notes and the security therefor, and other material factors affecting the security for and payment of the Notes.

8. The undersigned acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the County, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the County, the Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Notes.

9. The Notes are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Notes, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

(c) that the Purchaser reasonably believes to be a qualified institutional buyer and a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such sale, transfer or distribution who executes an investor letter substantially in the form of this letter.

Very truly yours,

[_____]

By: _____

Name: _____

Title: _____

THIRD AMENDED AND RESTATED NOTE PURCHASE AND REIMBURSEMENT AGREEMENT

dated as of July 1, 2024,

between

COUNTY OF ORANGE, CALIFORNIA,

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION

Relating to

\$150,000,000

COUNTY OF ORANGE, CALIFORNIA
TEETER PLAN OBLIGATIONS NOTES,
SERIES B

TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	1
Section 1.01.	Certain Defined Terms.....	1
Section 1.02.	Computation of Time Periods.....	13
Section 1.03.	Construction.....	13
Section 1.04.	Accounting Terms and Determinations	13
Section 1.05.	Relation to Other Documents; Acknowledgment of Different Provisions of Financing Documents; Incorporation by Reference.....	13
ARTICLE II	PURCHASE OF NOTES	14
Section 2.01.	Purchase of Notes	14
ARTICLE III	THE COUNTY’S OBLIGATIONS.....	16
Section 3.01.	Payment Obligations.....	16
Section 3.02.	Default Rate	17
Section 3.03.	Determination of Taxability.....	17
Section 3.04.	Maximum Interest Rate.....	17
Section 3.05.	Increased Costs	18
Section 3.06.	Taxes	19
Section 3.07.	Obligations Absolute	20
Section 3.08.	Purchaser Consent to Extension of Commitment	21
Section 3.09.	Fees	21
ARTICLE IV	CONDITIONS PRECEDENT	22
Section 4.01.	Documentary Requirements.....	22
Section 4.02.	Litigation.....	23
Section 4.03.	Other Matters	24
Section 4.04.	Payment of Fees and Expenses	24
Section 4.05.	No Note Rating; DTC; Offering Document.....	24
Section 4.06.	Reserved.....	24
Section 4.07.	Conditions Precedent to Subsequent Purchases.....	24
ARTICLE V	REPRESENTATIONS AND WARRANTIES.....	25
Section 5.01.	Existence and Power	25
Section 5.02.	No Default.....	25
Section 5.03.	Authorization	25
Section 5.04.	Compliance with Laws; Noncontravention	25
Section 5.05.	Governmental Consent or Approval	26
Section 5.06.	Binding Obligations	26
Section 5.07.	Litigation.....	26

Section 5.08.	Financial Statements	26
Section 5.09.	Incorporation of Representations and Warranties.....	27
Section 5.10.	Accurate Information	27
Section 5.11.	Use of Proceeds.....	27
Section 5.12.	Pending Legislation	27
Section 5.13.	Sovereign Immunity.....	27
Section 5.14.	No Debt Limitation	27
Section 5.15.	Swap Contracts	28
Section 5.16.	Series B Payment Fund.....	28
Section 5.17.	Tax Losses Reserve Fund	28
Section 5.18.	Security.	28
Section 5.19.	Pledged Revenues	28
Section 5.20.	Maximum Rate.....	28
Section 5.21.	Investments	28
Section 5.22.	Anti-Terrorism Laws	29
Section 5.23.	Employee Benefit Plan Compliance	29
ARTICLE VI	COVENANTS OF THE COUNTY	29
Section 6.01.	Payment Obligation	29
Section 6.02.	Use of Proceeds.....	29
Section 6.03.	Further Assurance	30
Section 6.04.	Notices	30
Section 6.05.	Reports; Other Financial Information.....	30
Section 6.06.	Compliance Certificate	31
Section 6.07.	Budget.....	31
Section 6.08.	Inspection Rights	31
Section 6.09.	Maintenance of Existence.....	31
Section 6.10.	Compliance	31
Section 6.11.	Notice of Additional Debt.....	31
Section 6.12.	Reserved.....	31
Section 6.13.	Tax Losses Reserve Fund	32
Section 6.14.	Tax Collection.....	32
Section 6.15.	Appropriations	32
Section 6.16.	Fund Balance	32
Section 6.17.	Books and Records	32
Section 6.18.	Incorporation by Reference; Performance and Enforcement of Financing Document.....	32
Section 6.19.	Payment of Obligation	32
Section 6.20.	Other Agreements	33
Section 6.21.	Swap Contract.....	33
Section 6.22.	Immunity.....	33
Section 6.23.	Inconsistent Action	33
Section 6.24.	Amendments	33
Section 6.25.	Additional Obligation	34
Section 6.26.	General Fund Obligations.....	34

Section 6.27.	Additional Debt.....	34
Section 6.28.	Compliance with Law	34
Section 6.29.	Permitted Investments.....	34
Section 6.30.	Investment Policy.....	34
Section 6.31.	Tax Status of Tax-Exempt Notes	34
Section 6.32.	Employee Benefit Plan Compliance	34
ARTICLE VII	EVENTS OF DEFAULT	35
Section 7.01.	Events of Default	35
Section 7.02.	Consequences of an Event of Default	38
Section 7.03.	Remedies Cumulative; Solely for the Benefit of Purchaser.....	38
Section 7.04.	Waivers or Omissions	39
Section 7.05.	Discontinuance of Proceedings.....	39
ARTICLE VIII	INDEMNIFICATION.....	39
Section 8.01.	Indemnification	39
Section 8.02.	Survival.....	40
ARTICLE IX	MISCELLANEOUS	40
Section 9.01.	Patriot Act Notice	40
Section 9.02.	Further Assurances.....	40
Section 9.03.	Amendments and Waivers; Enforcement	41
Section 9.04.	No Implied Waiver; Cumulative Remedies	41
Section 9.05.	Notices	41
Section 9.06.	No Third-Party Rights.....	43
Section 9.07.	Severability	43
Section 9.08.	Governing Law; Waiver of Jury Trial; Jurisdiction.....	43
Section 9.09.	Prior Understandings	44
Section 9.10.	Duration	44
Section 9.11.	Counterparts	44
Section 9.12.	Successors and Assigns.....	44
Section 9.13.	Headings	46
Section 9.14.	Acknowledge and Appointment as the Calculation Agent.	46
Section 9.15.	Electronic Signatures	46
Section 9.16.	Waiver of Setoff.....	47
Section 9.17.	No Advisory or Fiduciary Responsibility	47
Section 9.18.	Amendment and Restatement and Reaffirmation	47

EXHIBITS

EXHIBIT A – FORM OF REQUEST FOR PURCHASE

THIRD AMENDED AND RESTATED NOTE PURCHASE AND REIMBURSEMENT AGREEMENT

THIS THIRD AMENDED AND RESTATED NOTE PURCHASE AND REIMBURSEMENT AGREEMENT, dated as of July 1, 2024 (as amended, modified, restated or otherwise modified from time to time, this “*Agreement*”), between the County of Orange, California, a county duly organized and existing under and by virtue of the Constitution and laws of the State of California and Wells Fargo Bank, National Association.

RECITALS

WHEREAS, the hereinafter defined County may issue from time to time its County of Orange, California Teeter Plan Obligations Notes, Series B (the “*Notes*”), with a maximum aggregate principal amount outstanding of up to \$150,000,000, pursuant to the terms of the Trust Agreement (as hereinafter defined); and

WHEREAS, the County and the Purchaser entered into the Second Amended and Restated Note Purchase and Reimbursement Agreement dated as of July 1, 2021, as amended by the First Amendment to Second Amended and Restated Note Purchase and Reimbursement Agreement dated as of July 18, 2022 (the “*Original Agreement*”), relating to the Notes;

WHEREAS, the County and the Purchaser desire to amend and restate the Original Agreement in its entirety;

WHEREAS, the Purchaser has agreed to continue to purchase the Notes when issued from time to time in accordance with the terms hereof and the terms of the Trust Agreement and as a condition to the purchase of the Notes, the Purchaser has required the County to enter into this Agreement.

NOW, THEREFORE, to induce the Purchaser to purchase the Notes, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the County and the Purchaser hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms. In addition to the terms defined in the recitals and elsewhere in this Agreement and the Trust Agreement, the following terms shall have the following meanings:

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption, including the United States Foreign

Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder and the U.K. Bribery Act 2010, as amended, and the rules and regulations thereunder.

“*Applicable Law*” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and non-governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators.

“*Anti-Money Laundering Laws*” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules related to terrorism financing, money laundering, any predicate crime to money laundering or any financial record keeping, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“*Applicable Spread*” has the meaning set forth in the Supplemental Trust Agreement.

“*Approving Opinion*” means, with respect to any action relating to the Notes, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Financing Documents and (ii) will not adversely affect the exclusion of interest on the Notes from the gross income of any Noteholder for purposes of federal income taxation.

“*Authorized Officer*” shall mean the County Executive Officer, the County Chief Financial Officer, the County Budget & Finance Director, the County Finance Team Lead or such person at the time and from time to time authorized to act on behalf of the County by written certificate furnished to the Purchaser.

“*Available Commitment*” means, on the Effective Date, the Initial Commitment Amount and thereafter, at any time, the Initial Commitment Amount adjusted from time to time as follows: (a) downward in an amount equal to any Notes purchased by the Bank under the Commitment; (b) upward in an amount equal to the principal amount of any Notes previously purchased by the Bank hereunder that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any permanent reduction of the Commitment effected pursuant to Section 2.01(h) or 7.02(a)(iii) hereof; and (d) downward to zero upon the expiration or termination of the Commitment in accordance with the terms hereof.

“*Bond Counsel*” means Orrick, Herrington & Sutcliffe LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed and paid by the County.

“*Breakage Fee*” has the meaning set forth in the applicable Fixed Rate Addendum.

“*Business Day*” means a day which is not (a) a Saturday, Sunday or a day on which banking institutions in Los Angeles, California or New York, New York or the state or the principal corporate trust office of the Trustee is located are required or authorized by law to close, (b) a day on which the office of the Purchaser for purchasing Notes hereunder is required

or authorized by law to close or (c) a day on which the principal offices of the Calculation Agent or the principal office of the Purchaser is closed.

“*Calculation Agent*” has the meaning set forth in the Supplemental Trust Agreement.

“*Change in Law*” means the occurrence, after the Initial Effective Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, any Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Purchaser or any Noteholder for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Code*” means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

“*Commitment*” means the agreement of the Purchaser pursuant to Section 2.01 hereof to purchase Notes up to the Available Commitment from time to time in effect, subject to the terms and conditions set forth herein, for the account of the County.

“*Commitment Expiration Date*” means the earliest to occur of (a) Maturity Date, (b) the date on which the Purchaser provides notice to the Trustee and the County that the Available Commitment and the Commitment have terminated pursuant to Section 7.02(a)(iii) hereof as the result of the occurrence of an Event of Default, (c) July [___], 2027, and (d) the date on which the Commitment and Available Commitment are otherwise terminated or reduced to zero in accordance with the terms hereof.

“*Commitment Fee*” has the meaning set forth in the Fee and Interest Rate Agreement.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the County, are treated as a single employer under Section 414 of the Code.

“*County*” means County of Orange, California, a county duly organized and existing under and by virtue of the Constitution and laws of the State of California.

“*County Rating*” means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each of Moody’s, Fitch and S&P to the County’s lease revenue bond rating.

“*Date of Purchase*” has the meaning set forth in Section 2.01(f) hereof.

“*Debt*” shall mean at any date, without duplication, (i) all obligations of the County for borrowed money, (ii) all obligations of the County evidenced by bonds, certificates, debentures, notes or other similar instruments, (iii) all obligations of the County under capital or finance leases, (iv) all Debt of others secured by a lien on any asset of the County, whether or not such Debt is assumed by the County, (v) all Guarantees made by the County, (vi) all obligations of the County to pay the deferred purchase price of property or services, except (a) trade accounts payable arising in the ordinary course of business and (b) payments withheld in good faith to assure performance by other parties or payments withheld while being contested in good faith, and (vii) any Off-Balance Sheet Liabilities, *provided* that no venter leases entered into by the County shall constitute “Debt” hereunder.

“*Default*” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” has the meaning set forth in the Fee and Interest Rate Agreement.

“*Demand Obligation*” has the meaning set forth in the Trust Agreement.

“*Determination of Taxability*” solely with respect to Tax-Exempt Notes, means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the County files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Noteholder or any former Noteholder notifies the County that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the County of such notification from the Noteholder or former Noteholder, the County shall deliver to the Noteholder or former Noteholder a ruling or determination letter issued to or on behalf of the County by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the County shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of

the County, or upon any review or audit of the County or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the County shall receive notice from the Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Noteholder or such former Noteholder the interest on the Notes due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the County has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Noteholder or former Noteholder, the County shall promptly reimburse such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, such Noteholder or former Noteholder shall be obligated to make as a result of the Determination of Taxability.

“*Effective Date*” means July [___], 2024, subject to the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Article IV hereof.

“*Event of Default*” with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Financing Document, has the meaning assigned therein.

“*Event of Taxability*” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of any Tax-Exempt Notes or any purchase thereof) which has the effect of causing interest paid or payable on such Tax-Exempt Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Notes to become includable, in whole or in part, in the gross income of the Noteholder or any former Noteholder for federal income tax purposes with respect to such Tax-Exempt Notes.

“*Excess Interest Amount*” has the meaning set forth in Section 3.04 hereof.

“*Excluded Taxes*” means, with respect to the Purchaser, or any Noteholder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision

thereof) under the laws of which the Purchaser or such Noteholder is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Purchaser is located.

“*Federal Funds Rate*” has the meaning set forth in the Fee and Interest Rate Agreement.

“*Fee and Interest Rate Agreement*” means that certain Fifth Amended and Restated Fee and Interest Rate Agreement dated July [___], 2024, between the County and the Purchaser, as amended and supplemented from time to time.

“*Financing Documents*” means this Agreement, the Notes, the Tax Certificate, the Trust Agreement, the Supplemental Trust Agreement, the Resolution, the Fee and Interest Rate Agreement and any documents related thereto or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“*Fiscal Year*” means the period commencing on July 1 of each given year and ending on June 30 of such given year, or such similar period as the County may designate as its fiscal year.

“*Fitch*” means Fitch, Inc., and any successor rating agency.

“*Fixed Rate Addendum*” means the addendum attached to a Request for Purchase related to the Purchaser’s purchase of a Taxable Fixed Rate Note or Tax-Exempt Fixed Rate Note, as applicable, and attached as Appendix A to the Request for Purchase.

“*Fixed Rate Note*” means a Note bearing interest at the Taxable Fixed Rate or the Tax-Exempt Fixed Rate, as applicable.

“*Fixed Rate Maturity Date*” means, with respect to Fixed Rate Note, the maturity date for such Fixed Rate Note, which date shall be identified in the related Request for Purchase and which date shall not be earlier than six (6) months from the Date of Purchase and not later than the Maturity Date.

“*Fixed Rate Par Call Date*” means, with respect to a Fixed Rate Note, the date on and after which the prepayment of such Fixed Rate Note will not result in the payment of any amounts owing by the County to the Purchaser under Section 3.10 hereof, which date, if any, shall be identified in the related Request for Purchase and approved by the Purchaser, as evidenced by the Purchaser’s execution and delivery of the related Fixed Rate Addendum with the Forward Rate (as defined therein) inserted therein.

“*FRB*” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the County.

“*Governmental Approval*” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“*Governmental Authority*” means the government of the United States or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Guarantee*” shall mean any obligation, contingent or otherwise, of the County directly or indirectly guaranteeing any Debt or obligations under any Swap Contract of any other person or in any manner providing for the payment of any Debt or obligations under any Swap Contract of any other person or otherwise protecting the holder of such Debt against loss or a counterparty under a Swap Contract against loss (whether by agreement to keep-well, to purchase assets, goods, securities or services or otherwise), including any obligation pursuant to a letter of credit, *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“*Indemnified Taxes*” means Taxes other than Excluded Taxes.

“*Indemnitee*” has the meaning set forth in Section 8.01 hereof.

“*Initial Effective Date*” means February 1, 2013.

“*Initial Purchase*” means the initial purchase of Notes made by the Purchaser on the Effective Date pursuant to Section 2.01(a) hereof.

“*Initial Commitment Amount*” means \$150,000,000.

“*Interest Payment Date*” shall mean with respect to the Notes (i) the first Business Day of each calendar month and (ii) any date on which the related Notes mature or are purchased, repaid, prepaid or cancelled in accordance with the terms of the Trust Agreement.

“*Investor Letter*” has the meaning set forth in Section 9.12(c) hereof.

“*Law*” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“*Majority Noteholder*” means the Noteholders with a majority of the aggregate principal amount of Notes from time to time. As of the Effective Date, Wells Fargo Bank, National Association shall be the Majority Noteholder.

“*Margin Stock*” has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

“*Master Trust Agreement*” shall mean the Trust Agreement, dated as of August 1, 2008, between the County and U.S. Bank Trust Company, as trustee as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

“*Maturity Amount*” means an amount equal to 100% of the principal amount of the Notes then outstanding on the Maturity Date and accrued interest thereon, if applicable.

“*Maturity Date*” means the date the SOFR Notes are scheduled to mature in accordance with the terms of the Supplemented Trust Agreement.

“*Maximum Federal Corporate Tax Rate*” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser as of such day).

“*Maximum Interest Rate*” means the lesser of (i) 25% and (ii) the maximum rate of interest on the relevant obligation permitted by applicable law.

“*Miscellaneous Taxes*” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Financing Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Financing Document.

“*Moody’s*” means Moody’s Investors Service, Inc. and any successor rating agency.

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Non-Purchaser Transferee*” has the meaning set forth in Section 9.12(c) hereof.

“*Noteholder*” means the Purchaser and each Purchaser Transferee or Non-Purchaser Transferee pursuant to Section 9.12 hereof so long as such Purchaser Transferee or Non-Purchaser Transferee is an owner of any Note or Notes.

“*Notes*” has the meaning set forth in the recitals hereof.

“*Obligations*” means all amounts payable by the County, and all other obligations to be performed by the County, pursuant to the Notes, this Agreement and the other Financing Documents (including any amounts to reimburse the Purchaser for any advances or expenditures by it under any of such documents).

“*OFAC*” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Off-Balance Sheet Liabilities” means, with respect to any Person, any liability or obligation of such Person under any sale and leaseback transactions or so-called “synthetic” lease transaction, in each case, relating to the sale or lease of land or any real property or improvements thereon which is the functional equivalent of or takes the place of borrowing.

“Original Agreement” has the meaning set forth in recitals hereof.

“Parity Debt” means any Debt or obligation under Swap Contract issued, incurred or entered into by or on behalf of the County and which is a general obligation of the County payable from the General Fund of the County.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

“Person” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“Pledged Revenues” means the Series A Taxes and any other moneys or funds which are or may be hereinafter pledged to the payment of the Notes and the Obligations hereunder and under the other Financing Documents pursuant to the terms of the Trust Agreement and this Agreement.

“Prime Rate” has the meaning set forth in the Fee and Interest Rate Agreement.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Purchaser” means, initially, Wells Fargo Bank, National Association, and its successors and assigns, and upon the receipt from time to time by the Trustee and the County of a notice described in Section 9.12(a) from time to time means the Person designated in such notice as the Purchaser, as more fully provided in Section 9.12(a) hereof.

“Purchaser Affiliate” means the Purchaser and any Affiliate of the Purchaser, and includes, without limitation, Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Securities (a trade name).

“Purchaser Transferee” has the meaning set forth in Section 9.12(b) hereof.

“Purchaser’s Office” means the Purchaser’s address and, as appropriate, the account as set forth in Section 9.05 hereof, or such other address or account as the Purchaser may from time to time specify by written notice to the County.

“Rating Agency” means any of S&P, Moody’s and/or Fitch, as context may require.

“*Related Law*” shall mean Section 4701 through 4717 of the Revenue and Taxation Code of the State of California, as amended from time to time.

“*Request for Purchase*” means any request for the purchase of a Note or Notes made by the County to the Purchaser, in the form of Exhibit A hereto, executed and delivered on behalf of the County by the manual or facsimile signatures of any Authorized Officer.

“*Required Balance*” shall mean for any year an amount equal to the current minimum balance required to be maintained by the County in the Tax Losses Reserve Fund under the Related Law.

“*Resolution*” means Resolution No. 13-007 adopted by the County on January 29, 2013, together with any other resolutions or proceedings taken by the County in connection with the execution and delivery of this Agreement, the Notes and the other Financing Documents.

“*Risk-Based Capital Guidelines*” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“*S&P*” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and any successor rating agency.

“*Sanctioned Country*” means at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions (including, as of the Effective Date, Cuba, Iran, North Korea, Syria, Venezuela and Crimea).

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

“*Sanction*” or “*Sanctions*” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European member state, His Majesty’s Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the

County is located or conducts business, (b) in which any of the proceeds of the Notes will be used, or (c) from which repayment of the Notes will be derived.

“*Series A Taxes*” has the meaning set forth in the Trust Agreement.

“*Series B Obligations*” has the meaning set forth in the Trust Agreement.

“*Series B Payment Fund*” has the meaning set forth in the Trust Agreement.

“*State*” means the State of California.

“*Subsequent Purchase*” has the meaning set forth in Section 2.01(c) hereof.

“*Submitted Financial Statements*” has the meaning set forth in Section 5.08 hereof.

“*Supplemental Trust Agreement*” means the Seventh Supplemental Trust Agreement dated as of July 1, 2024, between the County and the Trustee and any additional supplemental trust agreement entered into between the County and the Trustee in accordance with the terms of the Trust Agreement.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Tax Certificate*” means any Tax Certificate of the County relating to any Tax-Exempt Notes, as the same may be amended or supplemented from time to time.

“*Taxable Date*” means the date on which interest on any Tax-Exempt Notes is first includable in gross income of the Noteholder (including, without limitation, any previous Noteholder) thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable Fixed Rate*” has the meaning set forth in the Supplemental Trust Agreement.

“*Taxable Fixed Rate Note*” has the meaning set forth in the Supplemental Trust Agreement.

“*Taxable SOFR Index Rate*” has the meaning set forth in the Supplemental Trust Agreement.

“*Taxable Note*” means any Note delivered in connection with a written direction of the County delivered pursuant to Section 3.01(b) of the Supplemental Trust Agreement stating that the interest on the Series B Notes shall be included in the gross income of the holder thereof for federal income tax purposes.

“*Taxable Period*” has the meaning set forth in Section 3.03 hereof.

“*Taxable Rate*” means, (a) with respect to any Variable Rate Note, the Taxable SOFR Index Rate during the Taxable Period, and (b) with respect to any Fixed Rate Note, the product of (i) the applicable Tax-Exempt Fixed Rate for such Fixed Rate Note and (ii) the Taxable Rate Factor.

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

“*Tax-Exempt Fixed Rate*” has the meaning set forth in the Supplemental Trust Agreement.

“*Tax-Exempt Fixed Rate Note*” has the meaning set forth in the Supplemental Trust Agreement.

“*Tax-Exempt SOFR Index Rate*” has the meaning set forth in the Supplemental Trust Agreement.

“*Tax-Exempt Note*” means any Note delivered in connection with a written direction of the County delivered pursuant to Section 3.01(b) of the Supplemental Trust Agreement stating that the interest on the Series B Notes shall be excluded from the gross income of the Noteholder or former Noteholder for federal income tax purposes.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“*Trust Agreement*” means, collectively, the Master Trust Agreement and the Supplemental Trust Agreement.

“*Trustee*” means U.S. Bank Trust Company, National Association, and its successors and assigns.

“*United States*” means the United States of America.

“*Variable Rate Note*” means a Note bearing interest at the Taxable SOFR Index Rate or the Tax-Exempt SOFR Index Rate.

Section 1.02. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.03. Construction. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, to the singular include the plural and to the part include the whole. The word “including” shall be deemed to mean “including but not limited to,” and “or” has the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereunder” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The Section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

Section 1.04. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Sections 6.05 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the County or the Purchaser may by notice to the other party hereto, require that the Purchaser and the County negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the County shall be the same as if such change had not been made. No delay by the County or the Purchaser in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.05, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Section 1.05. Relation to Other Documents; Acknowledgment of Different Provisions of Financing Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the County of its obligations under, any Financing Document to which it is a party. Conversely, to the extent that the provisions of any Financing Document allow the County to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the County nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.05, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Financing Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Financing Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

ARTICLE II

PURCHASE OF NOTES

Section 2.01. Purchase of Notes. (a) *Initial Purchase.* Upon satisfaction of the conditions set forth in Article IV hereof and based on the representations, warranties and covenants of the County set forth in the Trust Agreement and herein, the County shall issue the initial Note to the Purchaser and the Purchaser shall purchase such Note in a maximum amount not to exceed the Initial Commitment Amount and make the Initial Purchase of Notes on the Effective Date in an amount so requested by the County.

(b) *Closing.* On the Effective Date, the County shall deliver to the Purchaser the documents described in Article IV hereof. Upon delivery of such documents, the Purchaser shall make the Initial Purchase in an amount so requested by the County, up to the Initial Commitment Amount, in immediately available federal funds payable to the Trustee on behalf of the County. One fully registered Note, in the aggregate principal amount equal to the Initial Purchase, shall be issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser. The Notes shall be so issued and registered to and held by the Purchaser, or as otherwise directed by the Purchaser.

(c) *Subsequent Purchases.* On any date prior to the Commitment Expiration Date and upon the satisfaction of the conditions precedent set forth in Section 4.07 hereof, the Purchaser shall purchase Notes from time to time in amounts not to exceed the Available Commitment from time to time in effect (each a “*Subsequent Purchase*”); *provided* that the purchase price of any Subsequent Purchase of Notes shall not exceed the Available Commitment in effect on such date and that aggregate principal amount of all outstanding Notes shall not exceed the Initial Commitment Amount. The Purchaser’s Obligation to purchase Notes and the Commitment shall terminate on the Commitment Expiration Date. On the date of each Subsequent Purchase of Notes, one fully registered Note, in the aggregate principal amount equal to the amount of such

Subsequent Purchase of Notes, shall be issued to and registered in the name of the Purchaser, or as otherwise directed by the Purchaser.

(d) *Repayment and Subsequent Purchase.* Subject to the terms and conditions set forth herein and in the Trust Agreement, the County may request that the Purchaser purchase Notes from time to time and repay all or a portion of the Notes from time to time. Upon any payment or prepayment of all or a portion of the outstanding Notes, the Available Commitment shall be reinstated as set forth in the definition thereof; provided that in any event, the Available Commitment shall not exceed the Initial Commitment Amount.

(e) *Number of Purchases.* Notwithstanding anything to the contrary set forth herein, the County may not request, and the Purchaser shall have no obligation to purchase Notes, more than five (5) times during any calendar year (or such greater number of purchases as consented to in writing by the Purchaser).

(f) *Requests for Purchase.* The County shall give written notice to the Purchaser in the form of a Request for Purchase no later than 11:00 a.m. on a Business Day which is not less than (i) three (3) Business Days prior to the Business Day any purchase of Variable Rate Notes is to be made and (ii) five (5) Business Days prior to the Business Day any purchase of Fixed Rate Notes is to be made (or three (3) Business Days with respect to the Initial Purchase) (each a “*Date of Purchase*”). If the Purchaser receives a Request for Purchase after 11:00 a.m. on any Business Day such Request for Purchase shall be deemed to have been received on the following Business Day. Requests for Purchases shall be delivered to the Purchaser via facsimile at the facsimile number(s) set forth in Section 9.05 hereof and shall specify the Date of Purchase (which shall be a Business Day), and the amount of the requested Purchase. The County acknowledges that the Purchaser shall not be obligated to purchase Notes except in accordance with the provisions of this Agreement and the Trust Agreement. The Purchaser agrees that the purchase of Notes shall be made in the manner and upon the terms and conditions set forth in this Agreement and the Trust Agreement. The County shall not use the proceeds of any Notes for any payment which is not permitted by the Code, the Trust Agreement or this Agreement.

(g) *Minimum Amounts.* Subject to the terms and conditions of this Agreement, the Initial Purchase of Notes shall be in the principal amount of \$[_____] and any Subsequent Purchase shall be in the minimum principal amount of \$5,000,000 and integral multiples of \$1,000 thereafter, as identified in a Request for Purchase.

(h) *Permanent Reduction and Termination of Available Commitment.* (i) The Available Commitment shall be reduced from time to time as requested by the County within three (3) days of the County’s written notice to the Purchaser requesting such reduction; *provided*, that each such reduction amount shall be in an amount equal to \$1,000,000 or an integral multiple thereof.

(ii) The County may at any time and at its sole option terminate the Commitment upon three (3) days’ prior written notice to the Purchaser. After any such termination of the Commitment, the Purchaser shall not purchase any Notes and the Notes outstanding at the time of such termination shall become due and payable on the Maturity Date.

ARTICLE III

THE COUNTY'S OBLIGATIONS

Section 3.01. Payment Obligations. (a) The County hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all payment obligations owed to the Purchaser under the Notes and the other Financing Documents and to pay any other Obligations owing to the Purchaser whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in such Financing Documents and under such Obligations.

(b) The County shall pay or cause to be paid in full each Note and all interest thereon on the Maturity Date. Interest on each Note shall be due and payable in arrears on each Interest Payment Date.

(c) The County shall pay within thirty (30) days after demand:

(i) if an Event of Default shall have occurred, all costs and expenses of the Purchaser in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Financing Documents and such other documents which may be delivered in connection therewith;

(ii) a fee for each amendment to this Agreement or any other Financing Document or any consent or waiver by the Purchaser with respect to any Financing Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Purchaser;

(iii) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Purchaser in connection with advising the Purchaser as to its rights and responsibilities under this Agreement and the other Financing Documents or in connection with responding to requests from the County for approvals, consents and waivers; and

(iv) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Financing Document, together with interest at the Default Rate.

In addition, if at any time any Governmental Authority shall require revenue or other documentary stamps or any other tax in connection with the execution or delivery of this Agreement or other Financing Documents, then, if the County lawfully may pay for such stamps, taxes or fees, the County shall pay, when due and payable, for all such stamps, taxes and fees, including interest and penalties thereon, and the County agrees to save the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay of the County in paying, or omission of the County to pay, such stamps, taxes and fees hereunder.

Section 3.02. Default Rate. Upon the occurrence and during the continuance of an Event of Default, the Obligations shall bear interest at the Default Rate, which shall be payable by the County to each Noteholder (or, if applicable, the Purchaser) upon demand therefor and be calculated on the basis of a 365-day year and actual days elapsed.

Section 3.03. Determination of Taxability. (i) Solely with respect to Tax-Exempt Notes, in the event a Determination of Taxability occurs, to the extent not payable to each Noteholder (or to the Purchaser for the period that it was the Noteholder of any of the Tax-Exempt Notes) under the terms of the Trust Agreement and the Tax-Exempt Notes, the County hereby agrees to pay to each Noteholder (or, if applicable, the Purchaser) on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to such Noteholder (or, if applicable, the Purchaser) on the Tax-Exempt Notes during the period for which interest on the Tax-Exempt Notes is included in the gross income of such Noteholder (or, if applicable, the Purchaser) if the Tax-Exempt Notes had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Noteholder (or, if applicable, the Purchaser) during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Noteholder (or, if applicable, the Purchaser) as a result of interest on the Tax-Exempt Notes becoming included in the gross income of such Noteholder (or, if applicable, the Purchaser), together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by such Noteholder (or, if applicable, the Purchaser) in connection therewith;

(ii) Subject to the provisions of clause (iii) below, such Noteholder (or, if applicable, the Purchaser) shall afford the County the opportunity, at the County's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the Tax-Exempt Notes to be included in the gross income of such Noteholder (or, if applicable, the Purchaser) or (2) any challenge to the validity of the tax exemption with respect to the interest on the Tax-Exempt Notes, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

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

Section 3.04. Maximum Interest Rate. (i) If the amount of interest payable for any period in accordance with the terms hereof or the Notes exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Interest

Rate, then interest for such period shall be payable in an amount calculated at the Maximum Interest Rate.

(ii) Any interest that would have been due and payable for any period but for the operation of the immediately preceding subclause (i) shall accrue and be payable as provided in this subclause (ii) and shall, less interest actually paid to each Noteholder for such period, constitute the “Excess Interest Amount.” If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Interest Rate until payment to each Noteholder of the entire Excess Interest Amount.

(iii) Notwithstanding the foregoing, on the date on which no principal amount with respect to the Notes remains unpaid, the County shall pay to each Noteholder a fee equal to any accrued and unpaid Excess Interest Amount.

Section 3.05. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Purchaser or any Noteholder;

(ii) subject the Purchaser or any Noteholder to any Tax of any kind whatsoever with respect to this Agreement or the Notes, or change the basis of taxation of payments to the Purchaser or such Noteholder in respect thereof (except for Indemnified Taxes or Miscellaneous Taxes covered by Section 3.06 and the imposition of, or any change in the rate of any Excluded Tax payable by the Purchaser or such Noteholder); or

(iii) impose on the Purchaser or any Noteholder any other condition, cost or expense affecting this Agreement or the Notes;

and the result of any of the foregoing shall be to increase the cost to the Purchaser or such Noteholder of owning the Notes (or of maintaining its Commitment to purchase Notes), or to reduce the amount of any sum received or receivable by the Purchaser or such Noteholder hereunder or under the Notes (whether of principal, interest or any other amount) then, upon written request of the Purchaser or such Noteholder as set forth in clause (c) of this Section, the County shall promptly pay to the Purchaser or such Noteholder, as the case may be, such additional amount or amounts as will compensate the Purchaser or such Noteholder, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Purchaser or any Noteholder determines that any Change in Law affecting the Purchaser or such Noteholder or the Purchaser’s or such Noteholder’s parent or holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on the Purchaser’s or such Noteholder’s or the

Purchaser's or such Noteholder's parent or holding company holding, if any, as a consequence of this Agreement, or ownership of the Notes, to a level below that which the Purchaser or such Noteholder or the Purchaser's or such Noteholder's parent or holding company could have achieved but for such Change in Law (taking into consideration the Purchaser's or such Noteholder's policies and the policies of the Purchaser's or such Noteholder's parent or holding company with respect to capital adequacy), then from time to time upon written request of the Purchaser or such Noteholder as set forth in clause (c) of this Section, the County shall promptly pay to the Purchaser or such Noteholder, as the case may be, such additional amount or amounts as will compensate the Purchaser or such Noteholder or the Purchaser's or such Noteholder's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Purchaser or any Noteholder setting forth the amount or amounts necessary to compensate the Purchaser or any such Noteholder or the Purchaser's or any such Noteholder's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the County, shall be conclusive absent manifest error. The County shall pay the Purchaser or any such Noteholder, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Purchaser or any such Noteholder to demand compensation pursuant to this Section shall not constitute a waiver of the Purchaser's or any such Noteholder's right to demand such compensation.

Section 3.06. Taxes.

(a) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of the County hereunder or under the Notes shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Miscellaneous Taxes; provided that if the County shall be required by Applicable Law to deduct any Indemnified Taxes (including any Miscellaneous Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Purchaser or such Noteholder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County shall make such deductions and (iii) the County shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Miscellaneous Taxes by the County.* Without limiting the provisions of paragraph (a) above, the County shall timely pay any Miscellaneous Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Indemnification by the County.* The County shall indemnify the Purchaser and each other Noteholder, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Miscellaneous Taxes (including Indemnified Taxes or Miscellaneous Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Purchaser or such Noteholder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Miscellaneous

Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate stating the amount of such payment or liability delivered to the County by the Purchaser or such Noteholder shall be conclusive absent manifest error. In addition, the County shall indemnify the Purchaser and the other Noteholders, within ten (10) days after demand therefor, for any incremental Taxes that may become payable by the Purchaser or any Noteholder as a result of any failure of the County to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Purchaser and the other Noteholders, pursuant to clause (d), documentation evidencing the payment of Taxes.

(d) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes or Miscellaneous Taxes by the County to a Governmental Authority, the County shall deliver to the Purchaser or such other Noteholder, as applicable, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Purchaser or such Noteholder, as applicable.

(e) *Treatment of Certain Refunds.* If the Purchaser or any other Noteholder determines, in its sole discretion, that it has received a refund of any Taxes or Miscellaneous Taxes as to which it has been indemnified pursuant to this Section (including additional amounts paid by the County pursuant to this Section), it shall pay to the applicable indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section with respect to the Taxes or Miscellaneous Taxes giving rise to such refund), net of all out-of-pocket expenses of the Purchaser or such Noteholder, as applicable, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the applicable indemnifying party, upon the request of the Purchaser or such Noteholder, as applicable, agrees to repay the amount paid over pursuant to this Section (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Purchaser or such Noteholder, as applicable, in the event the Purchaser or such Noteholder, as applicable, is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Purchaser or such Noteholder, as applicable, be required to pay any amount to an indemnifying party pursuant to this paragraph (e) the payment of which would place the Purchaser or such Noteholder, as applicable, in a less favorable net after-Tax position than the Purchaser or such Noteholder, as applicable, would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Purchaser or such Noteholder, as applicable, to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the County or any other Person.

(f) *Survival.* Without prejudice to the survival of any other agreement of the County hereunder, the agreements and obligations of the County contained in this Section shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the County thereunder and hereunder.

Section 3.07. Obligations Absolute. The payment obligations of the County under this Agreement, the Notes and under the Fee and Interest Rate Agreement shall be unconditional and

irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

- (a) any lack of validity or enforceability of this Agreement, the Fee and Interest Rate Agreement, the Notes or any of the other Financing Documents;
- (b) any amendment or waiver of or any consent to departure from all or any of the Financing Documents;
- (c) the existence of any claim, set-off, defense or other right which the County may have at any time against the Purchaser, any other Noteholder or any other person or entity, whether in connection with this Agreement, the other Financing Documents, the transactions contemplated herein or therein or any unrelated transaction; or
- (d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding this Section, the Purchaser acknowledges the County may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The County's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

Section 3.08. Purchaser Consent to Extension of Commitment. So long as the Purchaser is the Noteholder, on or before the date ninety (90) days prior to the Maturity Date, the County may provide written notice to the Purchaser of its desire for the Purchaser to extend the Commitment and to continue to purchase the Notes and requesting the Purchaser to continue to purchase Notes and to extend the Purchaser's Commitment for an additional two (2) years. The Purchaser shall respond to such request within thirty (30) days after receipt of such written notice with any proposed changes to the Applicable Spread (the "*Updated Pricing*"), which changes shall be in the sole discretion of the Purchaser. Within thirty (30) days of receipt of the Updated Pricing from the Purchaser, the County shall notify the Purchaser if the County approves or rejects the Updated Pricing. In the event the County fails to definitively respond to such request within such thirty (30) day period, the County shall be deemed to have rejected the Updated Pricing. If the County approves the Updated Pricing, the parties shall prepare, execute and deliver documentation reflecting the Updated Pricing in form and substance reasonably satisfactory to the Purchaser (which may include, but not be limited to the delivery of a "no adverse effect opinion" of Bond Counsel to the Purchaser with respect to the tax-exempt status of the Notes); *provided, however*, that the Purchaser's obligation to execute and deliver such documentation shall be subject the County's satisfaction of the conditions set forth in Section 4.07 hereof as of the date of such execution and delivery.

Section 3.09. Fees. The County agrees to pay to the Purchaser the fees set forth in the Fee and Interest Rate Agreement at the times and in the amounts set forth therein. The terms of the Fee and Interest Rate Agreement are incorporated herein by reference as if fully set forth herein. Any reference herein or in any other document to fees and/or other amounts or

obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee and Interest Rate Agreement.

Section 3.10. Funding Indemnity. To the extent permitted by applicable law, in the event the Purchaser shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Purchaser to purchase or hold any Fixed Rate Notes or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Purchaser) as a result of any prepayment of any Fixed Rate Note prior to the Fixed Rate Maturity Date or, if designated in the Request for Purchase, the Fixed Rate Par Call Date, for such Fixed Rate Note, whether before or after default, and whether or not such payment is required by any provision of this Agreement or the Trust Agreement, then upon the demand of the Purchaser, the County shall pay to the Purchaser a prepayment premium in such amount as will reimburse the Purchaser for such loss, cost, or expense. If the Purchaser requests such prepayment premium, it shall provide to the County a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such prepayment premium in reasonable detail and such certificate shall be conclusive if reasonably determined. Anything herein to the contrary notwithstanding, in the event of a failure for any reason of the County to satisfy the conditions of Section 4.07 hereof in connection with the proposed purchase of a Taxable Fixed Rate Note or a Tax-Exempt Fixed Rate Note on the proposed Date of Purchase as established in the related Request for Purchase, the County shall pay to the Purchaser the applicable Breakage Fee as set forth in the Fixed Rate Addendum to the related Request for Purchase.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Documentary Requirements. The obligation of the Purchaser to purchase the Notes is subject to the conditions precedent that the Purchaser shall have received, on or before the Effective Date, the items listed below in this Section, each dated and in form and substance as is satisfactory to the Purchaser to the extent applicable.

- (a) The following County organizational documents:
 - (i) copies of the Resolutions of the governing body of the County approving the execution and delivery of this Agreement, the Notes and the other Financing Documents, certified by the Clerk of the County as being true and complete and in full force and effect on the Effective Date;
 - (ii) certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the County or any governmental agency or public authority, necessary for the County to enter into each of the Financing Documents and the transactions contemplated herein and therein;
 - (iii) a certificate of an Authorized Officer of the County dated the Effective Date certifying as to the authority, incumbency and specimen signatures of the

Authorized Officer of the County authorized to sign this Agreement and the other Financing Documents and any other documents to be delivered by it hereunder and who will be authorized to represent the County in connection with this Agreement, upon which the Purchaser may rely until it receives a new such certificate;

(b) The following financing documents:

(i) an executed original of each of the Financing Documents delivered on the Effective Date;

(ii) a Request for Purchase as required under, and in strict conformity with, Section 2.01(f) hereof, including, if the initial Note is a Taxable Fixed Rate Note or a Tax-Exempt Fixed Rate Note, a Fixed Rate Addendum executed by the Purchaser and the County;

(iii) the initial Note.

(c) The following opinions, dated the Effective Date and addressed to the Purchaser or on which the Purchaser is otherwise expressly authorized to rely:

(i) from Bond Counsel as to the due execution and delivery and validity with respect to the County of the Notes issued on the Effective Date, the Supplemental Trust Agreement, and such other matters as the Purchaser may reasonably request, in form and substance satisfactory to the Purchaser;¹ and

(ii) from County Counsel, in form and substance reasonably satisfactory to the Purchaser and its counsel, which provides for, among other opinions, the following: (i) the County is a political subdivision validly existing under the Constitution and the laws of the State of California, (ii) the execution, delivery and performance by the County of this Agreement, the Notes and the other Financing Documents are within the County's powers, have been duly authorized by all necessary action, and require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished, and (iii) this Agreement, the Notes and the other Financing Documents have been duly authorized, executed and delivered and are valid, binding and enforceable against the County, and such other matters as the Purchaser may reasonably request, in form and substance satisfactory to the Purchaser.

(d) Completion of a call back with the Purchaser and an Authorized Officer of the County identified in the certificate of the County delivered pursuant to Section 4.01(a)(iii) hereof with respect to the wiring of funds for the purchase price of the initial Notes.

Section 4.02. Litigation. The Purchaser shall have received a written description of all actions, suits or proceedings pending or threatened against the County in any court or before any

¹ Revise if initial borrowing is tax-exempt

arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a material adverse effect on the County's ability to perform its obligation under this Agreement and the Financing Documents, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Purchaser may reasonably request.

Section 4.03. Other Matters. All other legal matters pertaining to the execution and delivery of this Agreement and the Financing Documents shall be satisfactory to the Purchaser and its counsel, and the Purchaser shall have received such other statements, certificates, agreements, documents and information with respect to the County, the Issuer and the other parties to the Financing Documents and matters contemplated by this Agreement as the Purchaser may reasonably request.

Section 4.04. Payment of Fees and Expenses. On or prior to the Effective Date, the Purchaser shall have received reimbursement of the Purchaser's fees and expenses (including the legal fees and expenses of Chapman and Cutler LLP) and any other fees incurred in connection with the transaction contemplated by the Financing Documents and due on the Effective Date.

Section 4.05. No Note Rating; DTC; Offering Document. The Notes shall not be (i) assigned a separate rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository or (iii) issued pursuant to any type of offering document or official statement.

Section 4.06. Reserved.

Section 4.07. Conditions Precedent to Subsequent Purchases. The Purchaser's obligation to make Subsequent Purchases of Notes on the related Date of Purchase is subject to the following conditions:

(a) the representations and warranties of the County, set forth in Article V of this Agreement and in each other Financing Document (excluding the Tax Certificate if the Notes being issued on the such Date of Purchase are Taxable Notes) shall be true and correct in all material respects on such Date of Purchase (except to the extent any such representation or warranty expressly relates expressly relates to an earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on such Date of Purchase;

(c) the Purchaser shall have received a Request for Purchase as required under, and in strict conformity with, Section 2.01(f) hereof, including, if such Note is a Taxable Fixed Rate Note or a Tax-Exempt Fixed Rate Note, a Fixed Rate Addendum executed by the Purchaser and the County;

(d) the Purchaser shall receive a Note as required in Section 2.01(c) hereof;

(e) receipt by the Purchaser of an opinion of Bond Counsel in form and substance satisfactory to the Purchaser as to the due execution and delivery and validity with respect to the County of the Notes issued on the related Date of Purchase and, solely with respect to any Tax-Exempt Notes, the exclusion of interest on such Tax-Exempt Notes issued on the related Date of Purchase from gross income for federal and state income tax purposes; and

(f) completion of a call back with the Purchaser and an Authorized Officer of the County identified in the certificate of the County delivered pursuant to Section 4.01(a)(iii) hereof with respect to the wiring of funds for the purchase price of such Notes.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The County makes the following representations and warranties to each Noteholder:

Section 5.01. Existence and Power. The County is a county organized and existing by virtue of and under the Constitution and the laws of the State of California has the requisite power to carry on its present activities, and has and had full power, right and authority to enter into this Agreement and the Financing Documents to which it is a party and to perform each and all of the matters and things herein and therein provided for, including the Trust Agreement.

Section 5.02. No Default. The County is in full compliance with all of the material terms and conditions of this Agreement and the Financing Documents to which it is a party and no Event of Default has occurred and is continuing, and no event, act or omission has occurred, to the best knowledge of the County, and is continuing which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default.

Section 5.03. Authorization. The County has taken or caused to be taken all requisite action necessary to authorize the execution, issuance and delivery of, and the performance of its obligations under, this Agreement and the Financing Documents to which it is a party and any and all instruments and documents required to be executed or delivered pursuant to or in connection herewith or therewith.

Section 5.04. Compliance with Laws; Noncontravention. The County is not in violation of any of the provisions of the laws of the State of California, or any subdivision thereof, or the United States of America, which would affect its existence or its powers referred to in Section 5.01 hereof or its ability to comply with all of its obligations hereunder and under the other Financing Documents to which it is a party. The County is in compliance with all laws, policies and guidelines adopted by or applicable to it and its investments, except to the extent that the failure to comply could not reasonably be expected to result in a material adverse effect on the financial condition or business condition of the County or its ability to satisfy its obligations with respect to the Notes, this Agreement or any of the other Financing Documents. The execution and delivery of, and performance by the County of its obligations under, this Agreement and the

Financing Documents to which it is a party, and any and all instruments or documents required to be executed in connection herewith or therewith were and are within the powers of the County and do not violate any material provision of any applicable state or federal law, regulation, decree, order or governmental authorization, and does not in any material respect violate or cause a material default under any provision of any contract, agreement, mortgage, indenture or other undertaking to which it is a party or which is binding upon it or any of its property or assets, and does not result in the imposition or creation of any lien, charge, or encumbrance upon any of its properties or assets pursuant to the provisions of any such contract, agreement, mortgage, indenture or undertaking other than as set forth in the Financing Documents.

Section 5.05. Governmental Consent or Approval. Except for state “blue sky” laws, all authorizations, licenses, consents, approvals and undertakings which are required to be obtained by the County under any applicable law in connection with the execution, delivery and performance by the County of its obligations under, or in connection with, this Agreement and the Financing Documents to which it is a party, have been received, and all such authorizations, licenses, consents, approvals and undertakings are in full force and effect.

Section 5.06. Binding Obligations. This Agreement and the Financing Documents to which it is a party each constitute valid and legally binding obligations of the County which obligations are or will be (as the case may be) enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and provided that the availability of equitable remedies is subject to the application of equitable principles and subject to the limitation on legal remedies against counties in the State of California.

Section 5.07. Litigation. There is no action, suit, investigation or proceeding pending against the County, or to the best knowledge of the County, pending or affecting the County, or threatened in writing, against the County before any court, arbitrator or administrative or governmental body which might materially adversely affect the ability of the County to comply with its obligations hereunder or in connection with the transactions contemplated by this Agreement and the Financing Documents.

Section 5.08. Financial Statements. The audited financial statements of the County for the most recently completed Fiscal Year heretofore furnished to the Purchaser (the “*Submitted Financial Statements*”), truly and accurately reflect the financial condition of the County as at said date and the results of operations for the period covered thereby and are in conformity with generally accepted accounting principles as applicable to local governments. To the best of the County’s knowledge, the County has no contingent liabilities which are material to the County other than as indicated on said Submitted Financial Statements or which have been fully disclosed to the Purchaser in writing. Since the date of the Submitted Financial Statements there have been no material adverse changes in the financial condition of the County nor any changes to the County except those occurring in the ordinary course of business or which have been fully disclosed to the Purchaser in writing.

Section 5.09. Incorporation of Representations and Warranties. The representations and warranties of the County in the Financing Documents to which it is a party are true and correct (except those representations and warranties that are specifically related to an earlier date, in which case, they are true and correct as of such earlier date), and the County makes such representations and warranties for the benefit of the Purchaser, and such representations and warranties are incorporated herein by reference, as if the same were set forth herein and the County has furnished the Purchaser a true and correct copy of all the Financing Documents as in effect on the date hereof.

Section 5.10. Accurate Information. All statements and information made in writing by the County to the Purchaser herein or in connection herewith were, taken in the aggregate and at the time the same were so furnished, true and correct in all material respects. No fact is known to the County which materially and adversely affects or in the future may (so far as it can foresee) materially and adversely affect the business, assets or liabilities, financial condition, results of operations of the County, or any of its business prospects which has not been set forth in the Submitted Financial Statements or in such information, reports, papers and data or otherwise disclosed in writing to the Purchaser by the County.

Section 5.11. Use of Proceeds. The proceeds of the Notes will be used to repay the County's outstanding Teeter Plan Obligations Commercial Paper Notes, Series B, to refund a Demand Obligation evidencing the County's obligation to make distributions to the participating taxing agencies under the Related Law and to pay costs of issuance of the Notes.

Section 5.12. Pending Legislation. To the best knowledge of the County, after reasonable investigation, and except as otherwise disclosed to the Purchaser in writing prior to the Effective Date, there is no amendment or proposed amendment, certified for placement on a statewide ballot, to the Constitution of the State of California, or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any pending legislation under consideration by any conference or similar committee, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the ability of the County to pay the Notes or to pay or perform its Obligations hereunder.

Section 5.13. Sovereign Immunity. The County is not immune from liability or suit brought in contract in respect of its obligations under this Agreement, the Notes or any of the other Financing Documents and is subject to claims and to suit brought in contract for money or damages in connection with or under this Agreement, the Notes or any of the Financing Documents pursuant to and in accordance with the laws of the State of California applicable to counties.

Section 5.14. No Debt Limitation. The County's borrowing under the Notes is permitted under the Related Law and the Notes, the Agreement and the other Financing Documents are obligations of the County imposed by law and not subject to any debt or similar limitations set forth in law or the Constitution of the State of California.

Section 5.15. Swap Contracts. There is no Debt or obligations under a Swap Contract of the County currently outstanding having a right of payment from the General Fund of the County prior to the Notes or the County's other payment obligations hereunder.

Section 5.16. Series B Payment Fund. Other than the Notes, there are no obligations of the County currently outstanding or contemplated which are or will be payable from or have a claim on the Series B Payment Fund.

Section 5.17. Tax Losses Reserve Fund. The balance in the Tax Losses Reserve Fund is at least equal to the Required Balance.

Section 5.18. Security. The obligations of the County under this Agreement, the Notes and the other Financing Documents shall be absolute, unconditional and irrevocable, shall constitute general obligations of the County payable from the General Fund of the County in accordance with Section 2.03 of the Supplemental Trust Agreement. All Obligations of the County, including the obligations of the County under this Agreement and the Notes, and in each case to pay interest thereon, shall also be secured by the Pledged Revenues, and, with respect to any obligations arising in connection therewith and shall be paid and performed, in accordance with the terms hereof, strictly in accordance with the terms of this Agreement under all circumstances whatsoever.

Section 5.19. Pledged Revenues. (a) Except as contemplated by the Trust Agreement, there are no pledges, charges, liens or other encumbrances on the Pledged Revenues (other than any lien of or relating to a taxpayer on the Series A Taxes), (b) no person has any right, title or interest (whether limited or otherwise), or claim, of any nature, in or to any Pledged Revenues other than the County, the Noteholders and Holders of Series B Obligations (other than any lien of or relating to a taxpayer on the Series A Taxes) and (c) other than as set forth in the Trust Agreement, the County has not, and has not purported to have, transferred, granted, created, otherwise disposed of, or suffered to exist, any right, title or interest (whether limited or otherwise), or claim, of any nature, in or to any Pledged Revenues, and other than as set forth in the Trust Agreement, there are no agreements relating to the Pledged Revenues to which the County is a party.

Section 5.20. Maximum Rate. The County is authorized to enter into this Agreement and the transactions contemplated hereby. The Obligations of the County hereunder and under the Fee and Interest Rate Agreement and the Notes are not subject to any limitation as to maximum rate of interest, except as expressly set forth in this Agreement and the Supplemental Resolution.

Section 5.21. Investments. The County has delivered to the Purchaser true and complete copies of the County Treasurer Investment Policy Statement. All investments of the County with respect to amounts on deposit in General Fund or in any of the funds or accounts established under the Trust Agreement have been and are made substantially in accordance with the County Treasurer Investment Policy Statement. Only the Board of Supervisors of the County may amend, rescind or otherwise modify the County Treasurer Investment Policy Statement.

Section 5.22. Sanctions. (a) None of (i) the County or, to the knowledge of the County, any of its officers or employees, or (ii) to the knowledge of the County, any agent or representative of the County that will act in any capacity in connection with or benefit from the Notes, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) has its assets located in a Sanctioned Country, (C) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws, or (D) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

(b) The County, and to the knowledge of the County, each officer, employee and agent of the County, is in compliance with all Anti-Corruption Laws, Anti-Money Laundering Laws in all material respects and applicable Sanctions.

(c) No proceeds of any Note have been used, directly or indirectly, by the County or any of its or officers, employees and agents in violation of Section 6.02 hereof.

Section 5.23. Employee Benefit Plan Compliance. The County has no funding deficiency with respect to any employee benefit plan and is otherwise in compliance with terms of any such plan in which the Issuer or any of its employees participate in which would materially adversely effect the County's ability to perform its obligations hereunder or under any of the other Financing Documents. Neither the County nor any employee benefit plan maintained by the Issuer is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ARTICLE VI

COVENANTS OF THE COUNTY

The County covenants and agrees, until the full and final payment and satisfaction of all of the Obligations, except in any instance in which the Purchaser specially agrees in writing to any performance or noncompliance, that:

Section 6.01. Payment Obligation. The County shall make all payments on the Notes as set forth herein and in the Trust Agreement and reimburse the Purchaser for any outstanding Obligations under this Agreement and the other Financing Documents as provided herein and therein.

Section 6.02. Use of Proceeds. The County shall use the proceeds of the Notes only to repay the County's outstanding Teeter Plan Obligations Commercial Paper Notes, Series A, the Notes or to refund a Demand Obligation evidencing the County's obligation to make distributions to the participating taxing agencies under the Related Lien or to pay costs of issuance of the Notes. The County shall not use the proceeds of the Notes, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve

System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System. The County shall not, directly or indirectly use any of the proceeds of the Notes to fund, finance or facilitate any activities, business or transactions: (a) that are prohibited by Sanctions, (b) that would be prohibited by U.S. Sanctions if conducted by a U.S. Person, or (c) that would be prohibited by Sanctions if conducted by the Purchaser or any other party hereto. The County shall not, directly or indirectly use any of the credit to fund, finance or facilitate any activities, business or transactions that would be prohibited by Anti-Money Laundering Laws or Anti-Corruption Laws.

Section 6.03. Further Assurance. The County shall execute and deliver to the Purchaser all such documents, consents and instruments and do all such other acts and things as may be reasonably necessary or required by the Purchaser to enable the Purchaser to exercise and enforce their rights under the Financing Documents and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the Purchaser to validate, preserve and protect the position of the Purchaser under the Financing Documents.

Section 6.04. Notices. The County shall give prompt notice in writing to the Purchaser of any litigation, administrative proceeding or business development which in the reasonable judgment of the County may materially adversely affect the ability of the County to perform its obligations as set forth hereunder, under the Notes or under any of the other Financing Documents. The County shall also give prompt written notice to the Purchaser of the occurrence of any Event of Default, which notice shall set forth the details of, and the actions which the County proposes to take with respect to such Event of Default. The County shall also promptly notify, and provide a copy to, the Purchaser of any amendment or modification to any of the Financing Documents. The County shall also notify the Purchaser in writing not more than one (1) Business Day after first becoming aware of any breach of any of the representations or covenants herein relating to Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws. The County shall promptly provide a copy to the Purchaser of any amendment or modification to, or annual adoption of, the County Treasurer Investment Policy Statement.

Section 6.05. Reports; Other Financial Information. (a) The County shall deliver to the Purchaser as soon as possible and in any event no later than 240 days following the end of each Fiscal Year, the audited financial statements of the County, including a balance sheet as of the end of such Fiscal Year and such accompanying statements for the period then ending as are required by applicable Generally Accepted Accounting Principles, each statements and balance sheet prepared in accordance with Generally Accepted Accounting Principles consistently applied and audited by a firm of certified public accountants. The provisions of this Section 6.05 shall be deemed satisfied if the County provides notice to the Purchaser within the timeframe set forth above that such information is available electronically and a link as to where the Purchaser may retrieve and print such information.

(b) The County shall deliver to the Purchaser, with reasonable promptness, such other information and data with respect to the business, properties, condition (financial or other),

operations or prospects of the County as from time to time may be reasonably requested by the Purchaser.

Section 6.06. Compliance Certificate. Simultaneously with the delivery of the audited financial statements referred to in Section 6.05 hereof, the County shall deliver to the Purchaser a certificate of an Authorized Officer of the County stating whether there exists on the date of such certificate any Event of Default, or event which, with the passing of time or giving of notice or both, would be an Event of Default, and, if any such event or Event of Default then exists, setting forth the details thereof and the actions which the County is taking or proposes to take with respect thereto.

Section 6.07. Budget. The County shall, promptly after its adoption and in any event not later than September 30th of each Fiscal Year, deliver to the Purchaser a copy of the final adopted annual budget of the County or notice that such budget is available electronically and a link as to where the Purchaser may retrieve and print such budget.

Section 6.08. Inspection Rights. The County shall permit any person designated by the Purchaser to visit any of the offices of the County to examine the books and financial records, including minutes of meetings of the County Board of Supervisors but excluding any attorney-client privileged matter, and make a reasonable number of copies thereof or extracts therefrom at the County's expense, and to discuss the affairs, finances and accounts of the County with its principal officials, all upon reasonable notice, at such reasonable time and as often as the Purchaser may reasonably request.

Section 6.09. Maintenance of Existence. The County shall maintain its existence as a county under the laws of the State of California.

Section 6.10. Compliance. The County shall comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities except where the necessity of compliance therewith is contested in good faith by appropriate proceedings, *provided, however*, that the foregoing shall not require compliance with any such law, ordinance, rule, regulation and/or requirement so long as failure to comply shall not have a material adverse effect on the County's ability to perform its obligations under this Agreement and the Financing Documents. The County shall comply with all policies and guidelines adopted by or applicable to it with respect to its investments.

Section 6.11. Notice of Additional Debt. Within 30 days of incurring or issuing any obligations, including but not limited to loans, notes, bonds and agreements with respect to certificates of participation, payable in whole or in part from the General Fund of the County, the County will forward to the Purchaser a copy of any official statement, private placement or offering memorandum prepared in connection with such obligations.

Section 6.12. Sanctions. The County shall comply with applicable Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws. The County shall not fund any repayment of the Obligations with proceeds, or provide as collateral any property, that is directly or indirectly derived from any transaction or activity that is prohibited by Sanctions, Anti-Money

Laundering Laws or Anti-Corruption Laws, or that could otherwise cause the Purchaser or any other party to this agreement to be in violation of Sanctions, Anti-Money Laundering Laws or Anti-Corruption Laws.

Section 6.13. Tax Losses Reserve Fund. Except as may be required under the Related Law, the County shall maintain a balance in the Tax Losses Reserve Fund at least equal to the Required Balance.

Section 6.14. Tax Collection. The County shall, in accordance with its customary practices, carry out its obligations and duties under California law to collect property taxes, delinquencies and penalties and to this end shall initiate and pursue tax sales proceedings to enforce such delinquencies and penalties in accordance with California law.

Section 6.15. Appropriations. The County shall make annual appropriations at levels required under the Trust Agreement in order to pay the principal of and interest on the Notes and to pay all Obligations owing to any Noteholder hereunder or under the other Financing Documents when due.

Section 6.16. Fund Balance. During the term of this Agreement, the County shall furnish to the Purchaser at the end of each quarterly accounting period a report of account balances for any fund or account relating to the Notes or established under the Trust Agreement.

Section 6.17. Books and Records. The County shall keep or cause to be kept adequate and proper records and books of account with respect to any of the Pledged Revenues or funds or accounts established under the Trust Agreement and in its possession, in which complete and correct entries shall be made.

Section 6.18. Incorporation by Reference; Performance and Enforcement of Financing Document. The County shall promptly pay all amounts payable by it hereunder and under the Notes and under the Financing Documents according to the terms hereof or thereof and shall duly perform each of its obligations under this Agreement and under the Notes and the other Financing Documents to which it is a party; which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety without giving effect to any expiration, amendment, supplement or termination of the Financing Documents to which the Purchaser has not given its express written consent. The County shall cause the Trustee, any co-trustee appointed under the Financing Documents at all times to comply with the terms of the Financing Documents to which they are a party. The County shall strictly enforce the provisions of the Financing Documents, including but not limited to, the payment provisions thereof.

Section 6.19 Payment of Obligation. The County will pay and discharge or cause to be paid and discharged promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default except for those matters which are reasonably being contested in good faith by appropriate action or proceedings or for

which the County has established adequate reserves in accordance with generally accepted accounting principles as applicable to local governments.

Section 6.20. Other Agreements. In the event that the County is a party to, has entered into or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, standby bond purchase agreement, liquidity agreement or other agreement or instrument with a bank or other financial institution which provides liquidity or credit support for, or the direct purchase of, Debt of the County secured by or payable from the General Fund of the County or the Pledged Revenues (or any amendment, supplement or modification thereto) (each such agreement referred to herein as a “*Bank Agreement*”) which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights (but specifically excluding provisions in other Bank Agreements relating to remedies (including the right of subrogation), security for the obligations thereunder, fees or drawn interest rates under such Bank Agreement) (each such provision referred to herein as a “*More Favorable Provision*”) than are provided to the Purchaser in this Agreement, the County shall provide the Purchaser with a copy of each such Bank Agreement and such More Favorable Provision shall automatically be deemed to be incorporated into this Agreement and the Purchaser shall have the benefits of such More Favorable Provision as if specifically set forth herein. Upon the request of the Purchaser or the County, as applicable, the parties hereto shall promptly enter into an amendment to this Agreement to include such More Favorable Provision (provided that the Purchaser shall have and maintain the benefit of such More Favorable Provision even if no such amendment is entered into).

Section 6.21. Swap Contract. The County shall at all times require that any termination fees or settlement amounts payable in connection with any Swap Contract entered into by the County be subordinate to the lien on Pledged Revenues securing the Notes and the Obligations hereunder.

Section 6.22. Immunity. To the fullest extent permitted by law, the County agrees to waive any current or future right to immunity it may have from suit and liability for the purposes of adjudicating a claim to enforce its duties and obligations under this Agreement, the Notes or any other Financing Document or for damages for breach of this Agreement or any other Financing Document.

Section 6.23. Inconsistent Action. The County shall take no action inconsistent with the rights of the Purchaser or any Noteholder under this Agreement, the Notes or the other Financing Documents including, without limitation, its obligations to make payments to the Purchaser and the Noteholders hereunder and under the Notes.

Section 6.24. Amendments. The County shall provide the Purchaser with a copy of any proposed amendment or supplement to, or waiver or consent to waiver of any provision under, the Trust Agreement at least ten Business Days prior to the proposed effective date thereof. No such amendment, supplement, waiver or consent shall be made if the same may, in the judgment of the Purchaser, adversely affect the rights, security or interests of the Purchaser or the County’s ability to satisfy its obligations hereunder, under the Notes or any other Financing Document.

Section 6.25. Additional Obligation. The County may not issue or authorize the issuance of any obligation secured in whole or in part by Pledged Revenues or the Series B Payment Fund, other than the Notes and the Obligations, as provided in the Trust Agreement.

Section 6.26. General Fund Obligations. The County will not take any action which would result in the County's Obligations to the Purchaser or any Noteholder under this Agreement and the Note not constituting a General Fund obligation of the County.

Section 6.27. Additional Debt. The County may not (i) issue or incur any Debt or (ii) enter into a Swap Contract the obligations under which are, in each case, payable in whole or in part from the General Fund of the County having a right of payment from the General Fund of the County prior to the right of payment thereon of the Obligations hereunder and under the Notes, except County tax and revenue anticipation notes which it may issue from time to time for working capital purposes in accordance with applicable law and to set aside amounts therefor, which shall be senior to the Notes and Obligations of the County hereunder in right of payment from the General Fund.

Section 6.28. Compliance with Law. The County covenants and agrees that it will not violate any law, rule, regulation, or governmental order to which it is subject, which violation could materially and adversely affect its ability to perform its obligations under this Agreement, the Notes or any of the other Financing Document.

Section 6.29. Permitted Investments. The County shall not invest or direct the investment of any of the funds or accounts held by the Trustee under the Trust Agreement in any investments other than those Permitted Investments approved in writing by the Purchaser in a certificate.

Section 6.30. Investment Policy. The County shall not deviate from the County Treasurer Investment Policy Statement in effect from time to time with respect to amounts on deposit in General Fund or in any of the funds or accounts established under the Trust Agreement.

Section 6.31. Tax Status of Tax-Exempt Notes. The County shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on any Tax-Exempt Notes from the gross income of the Noteholders or any former Noteholder for purposes of federal income taxation.

Section 6.32. Employee Benefit Plan Compliance. The County shall in a timely fashion, comply, in all material respects with all requirements under any employee benefit plan in which the County or any of its employees participate.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an “Event of Default” hereunder, unless waived in writing by Purchaser:

(a) the County shall fail to pay the principal of or interest on any Notes when due;

(b) the County shall fail to pay any Obligation (other than the obligation to pay the principal of or interest on the Notes;

(c) any representation or warranty made by or on behalf of the County in this Agreement or in any other Financing Document or in any certificate or statement delivered hereunder or thereunder by or behalf of the County shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered;

(d) the County shall default in the due performance or observance of any of the covenants set forth in Section 6.01, 6.02, 6.08, 6.09, 6.13, 6.14, 6.15, 6.21, 6.23, 6.24, 6.25, 6.26, 6.27, 6.28, 6.29, 6.30 or 6.31 hereof; or

(e) the County shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Financing Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof;

(f) the County shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 7.01(g) of this Agreement;

(g) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the County or any substantial part of its Property, or a proceeding

described in Section 7.01(g)(v) shall be instituted against the County and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;

(h) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the County by the County or any Governmental Authority with appropriate jurisdiction;

(i) (i) any provision of this Agreement or any Financing Document related to (A) payment of principal of or interest on the Notes or any Parity Debt or (B) the validity or enforceability of the obligation to pay the Notes from the General Fund of the County or any other pledge or security interest created by the Trust Agreement shall at any time for any reason cease to be valid and binding on the County as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable; or

(ii) the validity or enforceability of any material provision of this Agreement or any Financing Document related to (A) payment of principal of or interest on the Notes, or (B) the validity or enforceability of the obligation to pay the Notes from the General Fund of the County or any other pledge or security interest created by the Trust Agreement shall be publicly contested by the County; or

(iii) any other material provision of this Agreement or any other Financing Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the County as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the County;

(j) dissolution or termination of the existence of the County;

(k) the County shall (i) default on the payment of the principal of or interest on any Parity Debt, beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) or cause any such Parity Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Parity Debt;

(l) the County shall (i) default on the payment of the principal of or interest on any Debt (other than Parity Debt) or obligation under a Swap Contract aggregating in excess of \$1,000,000, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt (other than Parity Debt) or obligation under a Swap Contract was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Debt (other than Parity Debt) or obligation under a Swap Contract aggregating in excess of \$1,000,000, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to permit (determined without regard to whether any notice is required) or cause any such Debt to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Debt;

(m) one or more final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Purchaser, in an aggregate amount not less than \$5,000,000 shall be entered or filed against the County and which is payable in whole or in part from the General Fund of the County or against any of its Property and remain unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days;

(n) any “event of default” under any Financing Document (as defined respectively therein) shall have occurred;

(o) any of Fitch, Moody’s and S&P shall have downgraded its County Rating to below “BBB-” (or its equivalent), “Baa3” (or its equivalent), or “BBB-” (or its equivalent), respectively, or suspended or withdrawn its rating of the same;

(p) any Pledged Revenues or Permitted Investments on deposit in, or otherwise to the credit of, any of the funds or accounts established under the Trust Agreement shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged or stayed or appealed within 60 days from the entry thereof;

(q) any pledge or security interest created by the Trust Agreement or this Agreement to secure any amount due under this Agreement or the Note shall fail to be fully enforceable with the priority required under this Agreement or the Trust Agreement as determined by a final, non-appealable judgment; or

(r) the Related Law is repealed, reenacted, amended or otherwise modified (whether directly or indirectly, and including, without limitation, by legislative or judicial action) or any other legislation is enacted, repealed, reenacted, amended or otherwise modified, in a manner that has a material adverse effect on the ability of the County to enforce collection of the delinquent property taxes or assessments, if such property taxes

or assessments are necessary in order to pay the principal and interest on the Notes or to pay the Obligations hereunder or under the Fee and Interest Rate Agreement.

Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to the Trustee and the County, declare the outstanding amount of the Obligations under this Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(ii) deliver a written notice to the Trustee and the County that an Event of Default has occurred and is continuing and direct the Trustee and the County, as applicable, to cause acceleration of the Notes or take such other remedial action as is provided for in the Trust Agreement;

(iii) by written notice to the Trustee and the County, terminate the Commitment of the Purchaser to purchase Notes hereunder;

(iv) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Financing Documents or to enforce performance or observance of any obligation, agreement or covenant of the County under the Financing Documents, whether for specific performance of any agreement or covenant of the County or in aid of the execution of any power granted to the Purchaser in the Financing Documents;

(v) cure any Default, Event of Default or event of nonperformance hereunder or under any Financing Document; *provided, however,* that the Purchaser shall have no obligation to effect such a cure; and

(vi) exercise, or cause to be exercised, any and all remedies as it may have under the Financing Documents (other than as provided for in clause (ii) of this Section 7.02(a)) and as otherwise available at law and at equity.

Section 7.03. Remedies Cumulative; Solely for the Benefit of Purchaser. To the extent permitted by, and subject to the mandatory requirements of, applicable Law, each and every right, power and remedy herein specifically given to the Purchaser in the Financing Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Purchaser, and the exercise or the beginning of the exercise of any

power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Purchaser specified herein are for the sole and exclusive benefit, use and protection of the Purchaser, and the Purchaser is entitled, but shall have no duty or obligation to the County, the Trustee or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Purchaser hereunder or under any of the other Financing Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Purchaser shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Financing Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Purchaser shall have the unqualified right so to do and, in such event, the County and the Purchaser shall be restored to their former positions with respect to the Obligations, the Financing Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser hereunder shall continue as if the same had never been invoked.

ARTICLE VIII

INDEMNIFICATION

Section 8.01. Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the County hereby agrees (to the extent permitted by law) to indemnify and hold harmless each Noteholder and its officers, directors and agents (each, an “*Indemnitee*”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the “*Liabilities*”) by reason of or in connection with (a) the execution and delivery or transfer of, or payment or failure to pay under, any Financing Document; (b) the issuance and sale of the Notes; and (c) the use of the proceeds of the Notes; *provided* that the County shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses (i) to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee or (ii) to the extent, but only to the extent, caused by any sale or transfer of the Notes in violation of applicable securities law. If any proceeding shall be brought or threatened against an Indemnitee by reason of or in connection with the events described in clause (a), (b) or (c) as a condition of indemnity hereunder each Indemnitee shall promptly notify the County in writing and the County shall assume the defense thereof, including the employment of counsel satisfactory to such Indemnitee and the payment of all reasonable costs of litigation. Notwithstanding the preceding sentence, each Indemnitee shall have the right to employ its own counsel and to determine its own defense

of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the employment of such counsel shall have been authorized in writing by the County, or (ii) the County, after due notice of the action, shall not have employed counsel satisfactory to such Indemnitee to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnitee shall be borne by the County. The County shall not be liable for any settlement of any such action effected without its consent. Nothing under this Section 8.01 is intended to limit the County's payment of the Obligations.

Section 8.02. Survival. The obligations of the County under this Article VIII shall survive the payment of the Notes and the termination of this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Patriot Act Notice. The Purchaser hereby notifies the County that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the County, which information includes the name and address of the County and other information that will allow the Purchaser to identify the County in accordance with the Patriot Act. The County hereby agrees that it shall promptly provide such information upon request by the Purchaser.

Section 9.02. Further Assurances. From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Financing Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Purchaser, the County will, at the County's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Financing Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Purchaser, be necessary or desirable in order to complete, perfect or continue and preserve the lien of the Trust Agreement. Upon any failure by the County to do so, the Purchaser or the Trustee may make, execute and record any and all such instruments, certificates and other documents for and in the name of the County, all at the sole expense of the County, and the County hereby appoints the Purchaser and the Trustee the agent and attorney-in-fact of the County to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, the County irrevocably authorizes the Purchaser at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by the Purchaser to establish or maintain the validity, perfection and priority of the security interests granted in the Trust Agreement, and the County ratifies any such filings made by the Purchaser prior to the date hereof. In addition, at any time, and from time to time, upon request by the Purchaser or the Trustee, the County will, at the County's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Purchaser or the Trustee, be necessary or desirable in order to verify

the County's identity and background in a manner satisfactory to the Purchaser or the Trustee, as the case may be.

Section 9.03. Amendments and Waivers; Enforcement. The Purchaser and the County may from time to time enter into agreements amending, modifying or supplementing this Agreement or the other Financing Documents or changing the rights of the Purchaser or the County hereunder or thereunder, and the Purchaser may from time to time grant waivers or consents to a departure from the due performance of the obligations of the County hereunder or thereunder. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 9.04. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of the Purchaser in exercising any right, power or privilege under this Agreement or the other Financing Documents shall affect any other or future exercise thereof or exercise of any right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Purchaser under this Agreement are cumulative and not exclusive of any rights or remedies which the Purchaser would otherwise have under any Financing Document, at law or in equity.

Section 9.05. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be sent by first-class mail or overnight delivery and shall be deemed received as follows: (i) if by first class mail, five (5) days after mailing; (ii) if by overnight delivery, on the next Business Day; (iii) if by telephone, when given to a person who confirms such receipt; and (iv) if by facsimile, when confirmation of receipt is obtained. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

The County:	County of Orange County Administration North 400 W. Civic Center Drive, 5 th Floor Santa Ana, California 92701 Attn: County Finance Team Lead Telephone: (714) 834-2345 Facsimile: (714) 834-3346
-------------	--

The Purchaser:

With respect to Credit Matters:

Wells Fargo Bank, National Association
Government and Institutional Banking
2141 Rosecrans Avenue, 4th Floor
El Segundo, California 90245
MAC: 2141 Rosecrans Ave
Telephone: (213) 434-1337
Facsimile: (213) 253-7298
Attention: Lynn Love
Email: lovely@wellsfargo.com

With respect to Operational Matters:

Wells Fargo Bank, National Association
Government and Institutional Banking
2141 Rosecrans Avenue, 4th Floor
El Segundo, California 90245
MAC: 2141 Rosecrans Ave
Telephone: (213) 434-1337
Facsimile: (213) 253-7298
Attention: Lynn Love
Email: lovely@wellsfargo.com

with a copy to:

Wells Fargo Bank, National Association
550 South Tryon Street, 4th Floor
Charlotte, North Carolina 28202
Attention: Matt Antunes
Telephone: (704) 410-0503
Email: matthew@antunes@wellsfargo.com

The Trustee:

U.S. Bank Trust Company
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Lauren Costales
Facsimile: (213) 615-6199
Telephone: (213) 615-6527
Email: lauren.costales@usbank.com

The Purchaser may rely on any notice (including telephone communication) purportedly made by or on behalf of the other, and shall have no duty to verify the identity or authority of the

Person giving such notice, unless such actions or omissions would amount to gross negligence or intentional misconduct.

Section 9.06. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto and the Noteholders any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

Section 9.07. Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Section 9.08. Governing Law; Waiver of Jury Trial; Jurisdiction. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE FINANCING DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF ORANGE OR THE COUNTY OF SAN FRANCISCO IN THE STATE OF CALIFORNIA, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF ORANGE OR THE COUNTY OF SAN FRANCISCO IN THE STATE OF CALIFORNIA. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY

BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER FINANCING DOCUMENT SHALL AFFECT ANY RIGHT THAT EITHER PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT AGAINST THE ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(d) The covenants and waivers made pursuant to this Section 9.08 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 9.09. Prior Understandings. This Agreement and the other Related Documents supersede all other prior understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein.

Section 9.10. Duration. All representations and warranties of the County contained herein or made in connection herewith shall survive the making of and shall not be waived by the execution and delivery of this Agreement or the other Related Documents. All covenants and agreements of the County contained herein shall continue in full force and effect from and after the date hereof until the Obligations have been fully discharged.

Section 9.11. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

Section 9.12. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the County, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The County may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, the Purchaser may assign its respective obligations to purchase Notes pursuant to the terms of this Agreement without the prior written consent of the County (such consent not to be unreasonably withheld). Each Noteholder may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Notes and the Financing Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Wells Fargo Bank, National Association shall be the Purchaser hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the County and the Trustee and such Person accepts and agrees to act as the Purchaser hereunder and under the Financing Documents. The Majority

Noteholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the County and the Trustee, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Wells Fargo Bank, National Association or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder, except for its obligation to purchase Notes as more fully set forth above.

(b) *Sales and Transfers by Noteholder to a Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes to a Person that is (i) a Purchaser Affiliate or (ii) a trust or other custodial arrangement established by the Purchaser or a Purchaser Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “*Purchaser Transferee*”). From and after the date of such sale or transfer, Wells Fargo Bank, National Association shall continue to have all of the rights of the Purchaser hereunder and under the other Financing Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the County and the Trustee shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the County.

(c) *Sales and Transfers by Noteholder to a Non-Purchaser Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or a portion of the Notes to one or more transferees which are not Purchaser Transferees but each of which constitutes (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this clause (c), of not less than \$5,000,000,000 (each a “*Non-Purchaser Transferee*”) all or a portion of the Notes if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Purchaser Transferee, together with addresses and related information with respect to the Non-Purchaser Transferee, shall have been given to the County, the Trustee and the Purchaser (if different than the Noteholder) by such selling Noteholder and Non-Purchaser Transferee, and (B) the Non-Purchaser Transferee shall have delivered to the County, the Trustee and the selling Noteholder, an investment letter in substantially the form attached as Exhibit B to the Supplemental Trust Agreement (the “*Investor Letter*”).

From and after the date the County, the Trustee and the selling Noteholder have received written notice and an executed Investor Letter, (A) the Non-Purchaser Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder (other than its obligation to purchase Notes, as more fully set forth in paragraph (a) of this Section 9.12) hereunder and under the other Financing Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the

Non-Purchaser Transferee, and any reference to the assigning Noteholder hereunder and under the other Financing Documents shall thereafter refer to such transferring Noteholder and to the Non-Purchaser Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Financing Documents (other than its obligation to purchase Notes, as more fully set forth in paragraph (a) of this Section 9.12).

(d) *Participations.* The Purchaser shall have the right to grant participations in all or a portion of the Purchaser's interest in the Notes, this Agreement and the other Financing Documents to one or more other banking institutions; *provided, however,* that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the County and the Trustee shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Notes and the other Financing Documents and no such participant shall be entitled to enforce any provision hereunder against the County.

(e) *Certain Pledges.* The Purchaser may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the Financing Documents to secure obligations of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 9.13. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.14. Acknowledge and Appointment as the Calculation Agent. Wells Fargo Bank, National Association hereby acknowledges and accepts its appointment as Calculation Agent pursuant to the Supplemental Trust Agreement and acknowledges, accepts and agrees to all the duties and obligations of the Calculation Agent set forth in the Supplemental Trust Agreement.

Section 9.15. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf"

(portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 9.16. Waiver of Setoff. The Purchaser waives its right to offset any obligations owed to the Purchaser by the County against any Obligation owed by the County to the Purchaser.

Section 9.17. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated by this Agreement and the Financing Documents (including in connection with any amendment, waiver or other modification of this Agreement or of any Financing Document), the County acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement and the Financing Documents provided by the Purchaser or any Affiliate of the Purchaser are arm’s length commercial transactions between the County on the one hand, and the Purchaser and any Affiliate of the Purchaser on the other hand, (ii) the County has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the County is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and the Financing Documents; (b)(i) the Purchaser and each Affiliate of the Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the County or any other Person and (ii) neither the Purchaser nor any Affiliate of the Purchaser has any obligation to the County with respect to the transactions contemplated by this Agreement and the Financing Documents, except those obligations expressly set forth herein; and (c) the Purchaser and each Affiliate of the Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the County, and neither the Purchaser nor any Affiliate of the Purchaser has any obligation to disclose any of such interests to the County.

Section 9.18. Amendment and Restatement and Reaffirmation. This Agreement shall become effective on the Effective Date and shall supersede all provisions of the Original Agreement as of such date. From and after the Effective Date all references made to the Original Agreement in any Financing Document or in any other instrument or document shall, without further action, be deemed to refer to this Agreement. This Agreement amends and restates the Original Agreement and is not intended to be or operate as a novation or an accord and satisfaction of the Original Agreement or the indebtedness, obligations and liabilities of the County evidenced or provided for thereunder.

Section 9.19. EMMA Postings. In the event the County files with EMMA, this Agreement, any other Financing Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “*Rule 15c2-12*”) (each such posting, an “*EMMA Posting*”), the County shall (i) provide the Bank with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes confidential information. The County acknowledges and agrees that although the Bank may request review, edits or redactions of such

materials prior to filing, the Bank is not responsible for the County's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule 15c2-12.

Section 9.20. US QFC Stay Rules.

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement or any other Financing Document (and any interest and obligation in or under this Agreement or any other Financing Document and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement or any other Financing Document (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement or any Financing Document are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement or such Financing Document were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any other Financing Document, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement or any other Financing Document that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

(c) *Defined Terms.* As used in this Section 9.20:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*U.S. Special Resolution Regime*” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: Madaline Ann Love
Title: Senior Vice President

COUNTY OF ORANGE, CALIFORNIA

By _____
Name:
Title:

EXHIBIT A

FORM OF REQUEST FOR PURCHASE

[Date]

Wells Fargo Bank, National Association
 Government and Institutional Banking
 333 Grand Avenue, 5th Floor
 Los Angeles, California 90071
 MAC E2034-056
 Telephone: (213) 253-7226
 Facsimile: (213) 253-7298
 Attention: Lynn Love
 Email: lovely@wellsfargo.com

Ladies and Gentlemen:

The undersigned, **[Insert Name of Undersigned]** the **[Insert Title of Undersigned]** of the County of Orange, California (the “*County*”) refers to that certain Third Amended and Restated Note Purchase and Reimbursement Agreement dated as of July 1, 2024 (the “*Agreement*”), between the County and Wells Fargo Bank, National Association (the “*Purchaser*”), the terms defined therein being used herein as therein defined, and hereby gives the Purchaser notice irrevocably, pursuant to Section 2.01(f) of the Agreement, of the purchase of Notes specified below:

1. The Business Day of the proposed purchase of Notes is _____, 20__ (which date is not less than three (3) Business Days from the date hereof if the Notes are Variable Rate Notes and not less than five (5) Business Days from the date hereof if the Notes are Fixed Rate Notes).
2. The principal amount of the proposed purchase of Notes is \$_____, which is less than the Available Commitment on the date set forth in 1 above.
3. The Notes shall bear interest at the **[Tax-Exempt SOFR Rate]** **[Taxable SOFR Rate]** **[Tax-Exempt Fixed Rate]** **[Taxable Fixed Rate]** (select one).
4. The Notes are **Taxable Notes**² **[Tax-Exempt Notes]**³ (select one).

² Must be Taxable SOFR Rate or Taxable Fixed Rate Notes.

³ Must be Tax-Exempt SOFR Rate or Tax-Exempt Fixed Rate Notes

5. The purchase price of the Notes will be paid by the Purchaser to the [Trustee for the benefit of the County] through the federal wire system, at the wiring instructions set forth below:

[6. The Fixed Rate Maturity Date for the Notes is [_____] (which date is not less than six months from the Date of Purchase and no later than the Maturity Date).]⁴

[7. The Fixed Rate Par Call Date for the Notes, if any, is [_____].]⁵

[8. The County will deliver a fully executed Fixed Rate Addendum, evidencing its approval of the Forward Rate (as defined therein), on _____, 20__, which is not more than seven (7) Business Days prior to the proposed Purchase Date.]⁶

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Date of Purchase, before and after giving effect thereto:

(a) the representations and warranties of the County set forth in Article V of the Agreement shall be true and correct in all material respects on such Date of Purchase (except to the extent any such representation or warranty expressly relates expressly relates to an earlier date); and

(b) no Default or Event of Default shall have occurred and be continuing on such Date of Purchase.

The undersigned hereby further certifies that each of the following officers of the County is authorized to confirm wire instructions pursuant to a call-back verification with the Purchaser:

<u>Name</u>	<u>Title</u>
Kim Engelby	Budget & Finance Director
Louis McClure	Finance Team Lead

⁴ Applicable to Taxable Fixed Rate Notes and Tax-Exempt Fixed Rate Notes only

⁵ Applicable to Taxable Fixed Rate Notes and Tax-Exempt Fixed Rate Notes only

⁶ Applicable to Taxable Fixed Rate Notes and Tax-Exempt Fixed Rate Notes only.

Thomas Howard	Satellite Accounting Operations Director
---------------	--

Additionally, as a condition precedent to the Purchaser's obligation to honor this Request for Purchase, the County shall have delivered to the Purchaser an opinion from Bond Counsel in form and substance satisfactory to the Purchaser as to the due execution and delivery and validity with respect to the County of the Notes issued on the related Date of Purchase and, with respect to Tax-Exempt Notes only, the exclusion of interest on such Notes issued on the related Date of Purchase from gross income for federal and state income tax purposes.

COUNTY OF ORANGE, CALIFORNIA

By: _____
Name: _____
Title: _____

APPENDIX A TO REQUEST FOR PURCHASE**FIXED RATE ADDENDUM**

The County of Orange, California (the “*County*”) has requested that the Purchaser provide it with a forward rate commitment (the “*Forward Rate*”) for the extension of credit by the Purchaser to the County to be evidenced by the County’s Teeter Plan Obligation Notes, Series B (the “*Fixed Rate Notes*”) described in this Request for Purchase (the “*Request for Purchase*”). The Forward Rate is offered at a fixed rate of ____% per annum for a principal amount of \$_____ through the Date of Purchase. Principal and interest on the Fixed Rate Note shall be repaid as provided in the Third Amended and Restated Revolving Note Purchase Agreement dated as of July 1, 2024 (the “*Agreement*”), between the County and Wells Fargo Bank, National Association (the “*Purchaser*”) and the Sixth Supplemental Trust Indenture dated as of July 1, 2024 (the “*Supplemental Trust Indenture*” and collectively with the Agreement, the “*Financing Documents*”), between the County and U.S. Bank National Association, as trustee, and the other documents pursuant to which the Fixed Rate Note is issued. Capitalized terms not defined herein shall have the meaning given such terms in the Agreement.

The Purchaser hereby commits to the Forward Rate upon the terms and conditions specified herein; *provided, however*, the Purchaser’s purchase of the Fixed Rate Note and the loan to the County evidenced thereby is subject to the terms and conditions of the Agreement and the other Financing Documents. The Financing Documents must be executed and delivered and purchase of the Fixed Rate Note must occur on or prior to the Date of Purchase.

By executing this Fixed Rate Addendum, the County agrees that in the event that, for any reason other than failure by the Purchaser to satisfy its obligations under the Agreement, the Purchaser does not purchase the Fixed Rate Note on the Date of Purchase, the Purchaser shall not be obligated to provide the Forward Rate and the County shall pay to the Purchaser the Breakage Fee determined as provided in Schedule A-1 hereto. Such payment by the County shall be made not later than two (2) business days after the Purchaser gives notice to the County of the amount thereof, setting forth in reasonable detail the basis for the calculation thereof. A certificate by the Purchaser as to such amount shall, absent manifest error, be conclusive if made in good faith. The County acknowledges and agrees that such amount, if any, represents reasonable compensation for loss of bargain and is not a penalty.

The County agrees that the Purchaser’s willingness to lock in the Forward Rate in advance of the Date of Purchase is sufficient consideration for the County’s agreement to pay the amounts due hereunder, if any. Any amount due hereunder which is not paid when due shall bear interest until paid at the default rate set forth in the Financing Documents.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE FIXED RATE NOTE OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

This Fixed Rate Addendum is governed by the laws of State of California. No modification or waiver of any of the terms of this letter will be valid unless agreed to in writing by the Purchaser. When accepted, this Fixed Rate Addendum will constitute the entire agreement between the Purchaser and the County concerning the Forward Rate, and shall supersede all prior and contemporaneous understandings and agreements (written or oral) relating thereto.

To accept this letter, please sign the enclosed copy where indicated below and return it to the Purchaser no later than the Purchaser's close of business on _____, _____. If this letter is not accepted by said date, this letter will automatically terminate without liability or further obligation of the Purchaser.

[SIGNATURE PAGE TO FOLLOW]

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

ACCEPTANCE

The County hereby agrees to the above provisions, intending to be legally bound hereby. The County understands that the above provisions may obligate the County to make a significant payment to the Purchaser in the event the Purchaser's purchase of the Fixed Rate Note does not occur by the Date of Purchase, and the amount of any such payment cannot be predicted in advance of such event. The County is fully informed of and is capable of evaluating, and has evaluated, the potential financial risks and benefits and the appropriateness in light of its individual circumstances, of this letter. The County is entering into this letter in reliance only upon its own judgment, and is not relying upon any representations, warranty, views or advice of the Purchaser.

COUNTY OF ORANGE, CALIFORNIA

By: _____
Name: _____
Title: _____

SCHEDULE A-1

CALCULATION OF BREAKAGE FEE

The Breakage Fee applicable to non-delivery of the Fixed Rate Note, in whole or in part, for any reason, shall be calculated as set forth in this Schedule A-1.

1. Capitalized terms used in this Schedule A-1 and not otherwise defined herein have the meanings assigned thereto in the Financing Documents.

The following defined terms are used in this Schedule A-1:

“*Breakage Fee*” means the premium required to be paid by the County in connection with any Termination, calculated as provided in this Schedule A-1.

“*Calculation Agent*” means Wells Fargo Bank, National Association and its affiliates or such other entity designated by the Purchaser.

“*Day Count Fraction*” is the anticipated basis on which interest is to be computed on the Fixed Rate Note. The Day Count Fraction utilizes a 360-day year and actual days elapsed.

“*Interest Payment Frequency*” is the anticipated frequency of interest payments under the Fixed Rate Note. The Interest Payment Frequency is monthly, with interest to be paid on the first business day of each calendar month, commencing on ____ 1, 20__.

“*[Maturity Date][Par Call Date]*⁷” is _____, 20__.

“*Note Rate*” means the Forward Rate (as defined in the Fixed Rate Addendum).

“*Scheduled Date*” means each date specified on Schedule 1 hereto in the columns labeled Scheduled Date.

“*Schedule of Principal Amounts*” is the anticipated principal amount of the Fixed Rate Note scheduled to be outstanding on the date the Fixed Rate Note is funded and on the Scheduled Date. The Schedule of Principal Amounts for the Scheduled Dates is specified in Schedule 1 to this Exhibit A.

“*Termination*” means the failure to deliver and close the purchase of the Fixed Rate Note on the Date of Purchase for any reason other than the failure of the Purchaser to satisfy its obligations under the Agreement, in whole or in part.

“*Termination Date*” means the Date of Purchase.

⁷ Definition to be incorporated as agreed to by the County and the Purchaser.

2. In connection with any Termination, a premium shall be paid by the County to the Purchaser if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Termination if the Breakage Fee for that Termination is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding the Termination Date, as follows:

“*Breakage Fee*” for any Termination is the difference of:

(i) the sum of the present values of a series of amounts computed for each Scheduled Date after the Termination Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Note Rate times (C) the Day Count Fraction for such Affected Principal Period,

minus

(ii) the sum of the present values of a series of amounts computed for each Scheduled Date after the Termination Date through the Maturity Date, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on that Scheduled Date, times (B) the Termination Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

(1) the Calculation Agent computes such present values by discounting each such series of amounts described in clauses (i) and (ii) above from their respective Scheduled Date to the Termination Date using a series of discount factors corresponding to those Scheduled Dates as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Termination Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

(2) the “*Affected Principal Amount*” for an Affected Principal Period is the principal amount of the Fixed Rate Note reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Termination Date by reference to such Schedule of Principal Amounts before giving effect to any Termination on that Termination Date, and for any Termination, multiplying each such principal amount times the Termination Fraction;

(3) the “*Affected Principal Period*” is each period from and including a Scheduled Date to but excluding the next succeeding Scheduled Date; *provided, however*, if the Termination Date is not a Scheduled Date, the initial Affected Principal Period shall be the period from and including the Termination Date to but excluding the next succeeding Scheduled Date and the Affected Principal Amount for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts Outstanding for the Scheduled Date next preceding the Termination Date;

(4) the “*Termination Fraction*” means, for each Scheduled Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Agreement to reduce the amount of the payment otherwise due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

(5) the “*Termination Rate*” for any Termination Date is the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) swap rate as fixed rate payors matching the terms of the financing in return for receiving one month SOFR (or if SOFR is unavailable or is not reflective of a bank’s cost of funds in the then current market, another index selected by the Calculation Agent in good faith and on the basis of then current market conditions).

3. The Calculation Agent shall determine the Breakage Fee hereunder with respect to each Termination reasonably and in good faith. The Calculation Agent’s determination in good faith shall be conclusive and binding in the absence of manifest error or the County demonstrates that the Calculation Agent has erred or used an unreasonable basis for determination of the Breakage Fee.

SCHEDULE 1

SCHEDULE OF PRINCIPAL AMOUNTS

FIFTH AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT
DATED JULY [], 2024
(THE “*EXTENSION DATE*”)

Reference is hereby made to the (i) Third Amended and Restated Note Purchase and Reimbursement Agreement dated as of July 1, 2024 (as amended, supplemented or otherwise modified from time to time, the “*Agreement*”), between the COUNTY OF ORANGE, CALIFORNIA (the “*County*”) and WELLS FARGO BANK, NATIONAL ASSOCIATION (the “*Purchaser*”), relating to the County of Orange Teeter Plan Obligations Notes, Series B (the “*Notes*”), and (ii) Fourth Amended and Restated Fee and Interest Rate Agreement July 14, 2021 (the “*Existing Fee and Interest Rate Agreement*”), between the County and the Purchaser.

The County has requested that the Purchaser agree to certain amendments to the Existing Fee and Interest Rate Agreement, and the Purchaser has agreed to such amendments. For the sake of clarity and convenience, the parties hereto wish to amend and restate the Existing Fee and Interest Rate Agreement in its entirety in the form of this Fifth Amended and Restated Fee and Interest Agreement. The purpose of this Fifth Amended and Restated Fee and Interest Rate Agreement is to confirm the agreement between the Purchaser and the County with respect to the Commitment Fees (as defined below) and certain other fees and interest rates payable by the County to the Purchaser. This Fifth Amended and Restated Fee and Interest Rate Agreement is the Fee and Interest Rate Agreement referenced in the Agreement.

ARTICLE I. DEFINITIONS.

As used in this Fifth Amended and Restated Fee and Interest Rate Agreement:

- (a) “*Commitment Fee*” has the meaning set forth in Section 2.1 hereof.
- (b) “*Default Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* four percent (4.0%), (ii) the Federal Funds Rate in effect at such time *plus* five percent (5.0%), and (iii) ten percent (10.0%).
- (c) “*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Purchaser on such day on such transactions as determined by the Purchaser. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined

as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

(d) “*Prime Rate*” means on any day, the rate of interest per annum then most recently established by the Purchaser as its “prime rate.” Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such Prime Rate occurs. Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Purchaser to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Purchaser may make various business or other loans at rates of interest having no relationship to such rate. If the Purchaser ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. Notwithstanding anything herein to the contrary, if the Prime Rate determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

Any capitalized terms used herein that are not specifically defined herein shall have the same meanings herein as in the Agreement.

ARTICLE II. FEES.

Section 2.1. Commitment Fees. The County agrees to pay to the Purchaser a nonrefundable annual fee (the “*Commitment Fee*”) accruing at a rate of 25 basis points (0.25%) per annum on the daily Available Commitment, which is subject to maintenance of the current County Rating. In the event of a change in the County Rating and (i) all three Rating Agencies then provide a County Rating and any two of the County Ratings are at the same Level in the schedule below, the Commitment Fee shall be the number of basis points set forth in the Level associated with the two equivalent County Ratings as set forth in the following schedule, (ii) all three Rating Agencies then provide a County Rating and no County Ratings provided by the Rating Agencies are at the same Level in the schedule below, the Commitment Fee shall be calculated based on the number of basis points set forth in the Level associated with the lowest of the two highest County Ratings as set forth in the schedule below, (iii) only two Rating Agencies then provide a County Rating, the Commitment Fee shall be calculated based on the number of basis points set forth in the Level associated with the lower County Rating as set forth in the schedule below and (iv) only one Rating Agency then provides a County Rating, the Commitment Fee shall be calculated based on the number of basis points set forth in the Level associated with such County Ratings as set forth in the following schedule:

	County Rating			Commitment Fee basis points (%)
	Moody's	S&P	Fitch	
Level I	Aa2 or higher	AA or higher	AA or higher	0.25%
Level II	Aa3	AA-	AA-	0.275%
Level III	A1	A+	A+	0.325%
Level IV	A2	A	A	0.375%
Level V	A3	A-	A-	0.425%
Level VI	Baa1	BBB+	BBB+	0.575%
Level VII	Baa2	BBB	BBB	0.825%
Level VIII	Baa3	BBB-	BBB-	1.175%

The Commitment Fee shall be payable quarterly in arrears on the first Business Day of each January, April, July and October of each calendar year (beginning on the first such date to occur after the Extension Date) and on the Commitment Expiration Date, or such earlier date on which the Commitment may be terminated in accordance with the terms of this Agreement. The Commitment Fee shall be calculated on the basis of 360-day year and actual days elapsed; *provided, however*, that in the event that any County Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, any County Rating is reduced below “Baa3,” “BBB-” or “BBB-” by any of Moody’s, S&P or Fitch, respectively, or upon the occurrence of and during the continuance of an Event of Default, the Commitment Fee shall increase by 100 basis points (1.00%) above the Commitment Fee that would be in effect if each County Rating is as provided in Level VIII above. All Commitment Fees accrued through but not including the Extension Date shall be payable to the Purchaser in accordance with the Existing Fee and Interest Rate Agreement and shall be payable in full on October 1, 2024.

ARTICLE III. MISCELLANEOUS.

Section 3.1. Amendments. No amendment to this Fifth Amended and Restated Fee and Interest Rate Agreement shall become effective without the prior written consent of the County and the Purchaser.

Section 3.2. Governing Law. THIS FIFTH AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA.

Section 3.3. Counterparts. This Fifth Amended and Restated Fee and Interest Rate Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Fifth Amended and Restated Fee and Interest Rate Agreement by signing any such counterpart. This Fifth Amended and Restated Fee and Interest Rate Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 3.4. Severability. Any provision of this Fifth Amended and Restated Fee and Interest Rate Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 3.5. Amended and Restated Fee Letter. This Fifth Amended and Restated Fee and Interest Rate Agreement amends and restates in its entirety the Existing Fee and Interest Rate Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Fee and Interest Rate Agreement or the indebtedness, obligations and liabilities of the County evidenced or provided for thereunder. Reference to this specific Fifth Amended and Restated Fee and Interest Rate Agreement need not be made in any agreement, document, instrument, letter, certificate, the Agreement or the Existing Fee and Interest Rate Agreement, or any communication issued or made pursuant to or with respect to the Existing Fee and Interest Rate Agreement, any reference to the Existing Fee and Interest Rate Agreement being sufficient to refer to the Existing Fee and Interest Rate Agreement as amended and restated hereby, and more specifically, any and all references to the “Fee and Interest Rate Agreement” in the Agreement shall mean this Fifth Amended and Restated Fee and Interest Rate Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Amended and Restated Fee and Interest Rate Agreement to be duly executed and delivered by their respective representatives thereunto duly authorized as of the date first set forth above.

COUNTY OF ORANGE, CALIFORNIA

By: _____

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name: Madaline Ann Love

Title: Senior Vice President

No. 1

\$ _____

COUNTY OF ORANGE TEETER DEMAND OBLIGATION, SERIES B

DATE OF ORIGINAL ISSUE: July __, 2024

OWNER: Auditor-Controller of the County of Orange,
acting for and on behalf of the Revenue Districts

PRINCIPAL AMOUNT: _____ Dollars

The County of Orange (the “County”) acknowledges itself indebted to, and for value received, hereby promises to pay from amounts on deposit in the General Fund, as defined in the Trust Agreement, dated as of August 1, 2008, by and between the County and U.S. Bank Trust Company, National Association, as amended and supplemented by the First Supplemental Trust Agreement, dated as of July 1, 2009, the Second Supplemental Trust Agreement, dated as of July 1, 2010, the Third Supplemental Trust Agreement, dated as of July 1, 2011, the Fourth Supplemental Trust Agreement, dated as of July 1, 2012, the Amended and Restated Fifth Supplemental Trust Agreement, dated as of July 1, 2018, the First Amendment to Amended and Restated Fifth Supplemental Trust Agreement, dated as of April 1, 2020, the Sixth Supplemental Trust Agreement, dated as of July 1, 2021, the Amended and Restated Sixth Supplemental Trust Agreement, dated as of July 1, 2022, and the Seventh Supplemental Trust Agreement, dated as of July 1, 2024 (all collectively, as amended and supplemented, the “Trust Agreement”), and the other sources of funds specified in the Trust Agreement, to the registered owner specified above (the “Holder”), or to such Holder’s registered assigns or personal representatives, the principal amount specified above on demand of the Holder, upon its presentation and surrender to the County, and to pay to such Holder interest on such principal amount accruing from the date of original issue to the payment date at the variable rate per annum described in Section 2.02 of the Trust Agreement.

This Demand Obligation is one of a duly authorized issue of Demand Obligations of the County issued under and pursuant to the Trust Agreement, payable from amounts in the General Fund as described therein.

By acceptance of this Demand Obligation, the Holder consents to all the terms and conditions hereof, and of the Trust Agreement, a copy of which is on file with the County.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions, and things required by the Trust Agreement to exist, to have happened and to have

been performed precedent to and in the issuance of this Demand Obligation, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the County of Orange has caused this Demand Obligation to be executed in its name by the manual or facsimile signature of its Authorized Officer and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors, and caused its official seal or a facsimile thereof to be affixed hereto.

COUNTY OF ORANGE

By: _____
Authorized Officer



(SEAL)

COUNTERSIGNED:

Clerk of the Board of Supervisors