

REIMBURSEMENT AGREEMENT

among

VENTURA COUNTY PUBLIC FINANCING AUTHORITY,

COUNTY OF VENTURA, CALIFORNIA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Relating to:

\$51,000,000
aggregate principal amount of

Ventura County Public Financing Authority
Lease Revenue Tax-Exempt
Commercial Paper Notes

Dated as of January 1, 2013

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REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT, dated as of January 1, 2013 (together with any amendments or supplements hereto, this "*Agreement*"), is made among the VENTURA COUNTY PUBLIC FINANCING AUTHORITY, a joint powers authority organized under the laws of the State of California (the "*Authority*"), the COUNTY OF VENTURA, CALIFORNIA, a political subdivision of the State of California (the "*County*") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association and its successors and assigns (the "*Bank*").

WITNESSETH:

WHEREAS, the Authority may from time to time issue up to \$51,000,000 in aggregate principal amount outstanding at any time of its lease revenue commercial paper notes (the "*Commercial Paper Notes*") pursuant to a Trust Agreement (as hereinafter defined); and

WHEREAS, pursuant to terms of the Site Lease (as hereinafter defined), the County has leased to the Authority the Leased Property (as hereinafter defined); and

WHEREAS, pursuant to the terms of the Sublease (as hereinafter defined), the Authority has subleased the Leased Property to the County; and

WHEREAS, the principal of and interest on the Commercial Paper Notes will payable from Base Rental Payments (as hereinafter defined) made by the County to the Authority pursuant to the terms of the Sublease and the Authority has assigned all of its right, title and interest in and to such Base Rental Payments under the Sublease to the Trustee; and

WHEREAS, the County and the Authority have requested that the Bank issue a letter of credit as an alternate letter of credit to replace the Existing Letter of Credit (as hereinafter defined) to support the payment of the principal of and interest on the Commercial Paper Notes; and

WHEREAS, the Bank is willing to issue such letter of credit upon the terms and conditions provided herein;

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority, the County and the Bank agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement:

“Additional Rental” means the amounts specified as such in Section 3.1(g) of the Sublease.

“Advance” has the meaning set forth in Section 2.03(a) hereof.

“Agreement” means this Reimbursement Agreement, as amended and supplemented from time to time in accordance with its terms.

“Amortization End Date” means, with respect to any Advance, the earliest to occur of: (i) the fifth (5th) anniversary of the date on which the related Advance was made, (ii) the date on which a substitute Credit Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (iii) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default and (iv) the end of the term of the commercial paper program for the Commercial Paper Notes as determined in accordance with the Trust Agreement or any resolution of the Authority.

“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 Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators.

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

“Authorized Representative” means, (x) with respect to the Authority, each of the Chair of the Board of Directors, the Executive Director, the Chief Financial Officer, the Secretary of the Authority, and any other authorized officers of the Authority acting on behalf of the Chair of the Board of Directors, the Executive Director, the Chief Financial Officer and the Secretary of the Authority, and (y) with respect to the County, each of the Chair of the Board of Supervisors, the County Executive Officer, Assistant County Executive Officer and the Chief Financial Officer of the County.

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

“Bank Agreement” has the meaning set forth in Section 6.01(s) hereof.

“Bank Note” has the meaning set forth in Section 2.03(d) hereof.

“Bank Rate” means the rate of interest per annum with respect to an Advance (a) for any day commencing on the date such Advance is made to and including the 180th day next succeeding the date such Advance is made, equal to the Base Rate from time to time in effect; and (b) for any day commencing on the 181st day next succeeding the date such Advance is made and thereafter, equal to the sum of the Base Rate from time to time in effect plus one percent (1.00%); *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance

of such Event of Default, “Bank Rate” shall mean the Default Rate; and *provided further* that, at no time shall the Bank Rate be less than the applicable rate of interest on any outstanding Commercial Paper Notes.

“*Bank’s Counsel*” has the meaning set forth in Section 4.01 hereof.

“*Base Rate*” means, for any day, the rate of interest per annum equal to the highest of (i) the Prime Rate *plus* one percent (1.00%), (ii) the Federal Funds Rate *plus* two percent (2.00%), and (iii) seven percent (7.00%). Each determination of the Base Rate by the Bank shall be conclusive and binding on the County and the Authority absent manifest error.

“*Base Rental Payments*” means payments made by the County to the Authority in amounts specified as such in Section 3.1(a) of the Sublease, as such amounts may be adjusted from time to time in accordance with the terms of the Sublease; *provided, however*, that Base Rental Payments shall not include Additional Rental.

“*Bond Counsel*” means Fulbright & Jaworski L.L.P., or any successor thereof, or another nationally recognized bond counsel firm selected by the County.

“*Business Day*” means any day other than (a) a Saturday, Sunday, or other day on which commercial banks located in the States of New York or California are authorized or required by law or executive order to be closed, (b) a day on which the presentation office of the Bank for Drawings under the Letter of Credit is authorized or required by law or executive order to be closed, and (c) a day on which the New York Stock Exchange is closed.

“*Capital Lease Obligations*” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“*Change in Law*” means the occurrence, after the date of this Agreement, 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 Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“*Closing Date*” means the date on which the Letter of Credit is issued.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

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

“*Component*” has the meaning set forth in the Sublease.

“*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.

“*Credit Facility*” has the meaning set forth in the Trust Agreement.

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

“*County Budget*” means the annual budget of the County.

“*Dealer*” means Barclays Capital Inc., and its successors and assigns.

“*Dealer Agreement*” means the Amended and Restated Commercial Paper Dealer Agreement, dated as of October 1, 2008, by and between the Dealer and the Authority, and any and all modifications, alterations, amendments and supplements thereto.

“*Debt*” of any Person means at any date and without duplication, (i) all obligations of such Person for borrowed money, and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (ii) all direct or contingent obligations of such Person arising under letters of credit, bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (iii) all Capital Lease Obligations, (iv) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (v) all indebtedness of others secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (vi) all indebtedness of others guaranteed by, or secured by any of the revenues or assets of, such Person and (vii) all payment obligations of such Person under any Swap Contract.

“*Default*” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” means a fluctuating interest rate per annum equal to the sum of the Base Rate from time to time in effect plus 3.00%.

“*Drawing*” has the meaning set forth in the Letter of Credit.

“*DTC*” means The Depository Trust Company and any successor or replacement thereto as securities depository.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder, or any successor statute.

“*Environmental Law*” means any federal, state, or local statute, law, rule, regulation, ordinance, code, policy, or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree, or judgment, relating to health, safety, or the environment or to Hazardous Materials, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801 *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601 *et seq.*; the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*; the Safe Drinking Water Act, as amended, 42 U.S.C. § 3608 *et. seq.*; the California Superfund Statute, Cal. Health & Safety C. § 25300 *et seq.*; legislation promulgated pursuant to the California Safe Drinking Water and Toxic Enforcement Act of 1986 (“*Proposition 65*”), Cal. Health & Safety C. § 25249.5 *et seq.*; Environmental Protection Agency regulations pertaining to asbestos, including 40 C.F.R. Part 61, Subpart M; and Occupational Safety and Health Administration regulations pertaining to asbestos, including 29 C.F.R. § 1910.1001 and 1926.58.

“*Excluded Taxes*” means, with respect to the Bank or any Participant, (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 Bank or such Participant 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 County or the Authority is located.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Federal Funds Rate*” means for any day the rate of interest per annum as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the County on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Authority and the County absent manifest error.

“*Fee Letter*” means that certain Fee Letter, dated the Closing Date, among the County, the Authority and the Bank, as the same may be amended and supplemented from time to time in accordance with its terms.

“*Final Drawing Notice*” has the meaning set forth in the Letter of Credit.

“*Fiscal Year*” means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period designated by the County as its fiscal year.

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

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time, applied by the County on a basis consistent with the County’s most recent financial statements furnished to the Bank pursuant to Section 6.01(a) hereof.

“General Fund” means the general operating fund of the County.

“Governmental Approvals” 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” of or by any Person (the *“guarantor”*) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (the *“primary obligor”*) in any manner, whether directly or indirectly, and including, without limitation, any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Debt or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing polychlorinated biphenyls, and radon gas; (b) any chemicals, materials, or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials” extremely hazardous wastes, “restricted wastes,” “toxic substances,” “toxic pollutants,” “contaminants,” “special wastes,” or “pollutants,” or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material, or substance, exposure to which is prohibited, limited, or regulated by any governmental authority.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Interest Payment Date” means the first Business Day of each calendar month.

“Investment Grade” means a rating of *“Baa3”* (or its equivalent) or better by Moody’s and *“BBB-”* (or its equivalent) or better by S&P or Fitch.

“Issuing and Paying Agent Agreement” means the Issuing and Paying Agent Agreement, dated as of October 1, 1998, by and between the Authority and the Issuing and Paying Agent, as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

“Issuing and Paying Agent” means U.S. Bank National Association and its successors and assigns.

“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.

“Leased Property” has the same meaning as the term *“Property”* set forth in the Sublease.

“Letter of Credit” means the irrevocable transferable direct-pay letter of credit issued by the Bank for the accounts of the Authority and the County in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, in the form of Appendix I hereto with appropriate insertions, as from time to time amended and supplemented pursuant to its terms.

“Letter of Credit Expiration Date” means January __, 2015, the date set forth in the Letter of Credit as the date on which the Letter of Credit is stated to expire, as the same may be extended pursuant to Section 2.12 hereof.

“Letter of Credit Fees” has the meaning set forth in the Fee Letter.

“Lien” on any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset.

“Material Adverse Change” or *“Material Adverse Effect”* means the occurrence of any event or change which results in a material and adverse change in the business, condition (financial or otherwise) or operations of the County or which materially and adversely affects (a) the enforceability of this Agreement, the Bank Note, the Fee Letter or any of the other Program Documents, (b) the ability of the Authority or the County, as applicable, to perform its obligations hereunder or under any of the other Program Documents or (c) the rights, security, interest or remedies available to the Bank under this Agreement or the other Program Documents.

“Maximum CP Rate” means the lesser of (a) 10% per annum, and (b) the maximum rate of interest permitted by applicable law.

“Maximum Rate” means the maximum rate of interest permitted by applicable law.

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

“No-Issuance Notice” means the written notice, in the form attached as Exhibit A hereto, given by the Bank to the County, the Authority and the Issuing and Paying Agent pursuant to Section 3.02(b) hereof or Section 7.02(b) hereof.

“Notes” means the Commercial Paper Notes and the Bank Note.

“Obligations” means the Reimbursement Obligations (which includes amounts owing to the Bank hereunder evidenced by the Bank Note), the Letter of Credit Fees, the obligations of the County or the Authority to pay all fees, charges and expenses payable hereunder, under the Fee Letter and under the Bank Note, and all other payment obligations of the County or the County owed to the Bank arising under or in relation to this Agreement, the Fee Letter and the Bank Note.

“Offering Memorandum” means the Offering Memorandum dated December __, 2012, relating to the Commercial Paper Notes, and any supplements and amendments thereto.

“Other 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 Program Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Program Document.

“Original Stated Amount” has the meaning set forth in Section 2.01 hereof.

“Outstanding,” when used in reference to Commercial Paper Notes means, as of a particular date, all Commercial Paper Notes authenticated and delivered pursuant to the Trust Agreement except: (i) any Commercial Paper Note cancelled at or before such date, (ii) any Commercial Paper Note deemed to have been paid in accordance with the Trust Agreement and (iii) any Commercial Paper Note in lieu of or in substitution for which another Commercial Paper Note shall have been authenticated and delivered pursuant to the Trust Agreement.

“Participant” has the meaning set forth in Section 9.03(b) hereof.

“Payment Office” means Wells Fargo Bank, National Association, Denver Loan Center, 1700 Lincoln St. 5th Floor, Denver, Colorado 80203, MAC: C7300-059, Facsimile: (303) 863-5531, ABA Number: [121000248], Account Number: [00029690050720], Account Name: [WIRES IN PROCESS], Attn: PAYMENT FOR FEES, Reference: COUNTY OF VENTURA, CALIFORNIA, OBLIGOR #_____, or such other office as the Bank may designate from time to time.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Plan*” means, with respect to the County, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group of which the County is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the County is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Pledged Property*” has the meaning set forth in the Trust Agreement.

“*Prime Rate*” means, for any day, the rate per annum established by the Bank from time to time as its “*prime rate*” for U.S. dollar loans, or its equivalent, as is in effect on such day, any change in such rate to be effective on the date such change is effective for the Bank’s purposes, it being understood that such rate shall not necessarily be the best or lowest rate of interest available to the Bank’s best or most preferred prime, large commercial customers. Each determination of the Prime Rate by the Bank shall be conclusive and binding on the Authority and the County absent manifest error. The Prime Rate is a reference rate only, and the Bank may make loans from time to time at interest rates above, equal to or below the Prime Rate.

“*Program Documents*” means this Agreement, the Letter of Credit, the Fee Letter, the Bank Note, the Dealer Agreement, the Commercial Paper Notes, the Issuing and Paying Agent Agreement, the Offering Memorandum, the Trust Agreement, the Site Lease, the Sublease and any exhibits, schedules, instruments or agreements relating thereto, as the same may be amended, modified or supplemented in accordance with their terms and the terms hereof.

“*Quarterly Payment Date*” has the meaning set forth in the Fee Letter.

“*Rating Agencies*” means Fitch (to the extent that a rating from Fitch is obtained by the County at its request with respect to its long-term debt obligations), Moody’s and S&P.

“*Rating Documentation*” has the meaning set forth in Section 4.01(k) hereof.

“*Reduction Fee*” has the meaning set forth in the Fee Letter.

“*Reimbursement Obligations*” means any and all obligations of the County or the Authority, as applicable, to reimburse the Bank for any Drawings under the Letter of Credit and all obligations to repay the Bank for any Advance, including in each instance all interest accrued thereon.

“*Rental Payments*” has the meaning set forth in the Sublease.

“*Risk-Based Capital Guidelines*” means (i) the risk-based capital guidelines in effect in the United States on the Closing Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the Closing Date.

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

“*Site Lease*” means the Site Lease, dated as of October 1, 1998, by and between the County and the Authority, as amended or supplemented from time to time in accordance with the terms hereof and thereof.

“*State*” means the State of California.

“*Stated Amount*” means, as of any date, the maximum amount which by the terms of the Letter of Credit is available to be drawn under the Letter of Credit as of such date.

“*Sublease*” means the Sublease, dated as of October 1, 1998, by and between the County and the Authority, as amended or supplemented from time to time in accordance with the terms hereof and thereof.

“*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.

“*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.

“*Termination Date*” has the meaning set forth in the Letter of Credit.

“*Termination Fee*” has the meaning set forth in the Fee Letter.

“*Trust Agreement*” means that certain Trust Agreement, dated as of October 1, 1998, by and between the Authority and the Trustee, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“*Trustee*” means U.S. Bank National Association and its successors and assigns, as trustee under the Trust Agreement.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Trust Agreement. All references in this Agreement to times of day shall be references to New York City time unless otherwise expressly provided herein. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

ARTICLE II

LETTER OF CREDIT

Section 2.01. Issuance of Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to issue the Letter of Credit (substantially in the form of Appendix I hereto). The Letter of Credit shall be in the original stated amount of \$51,640,000 (the “*Original Stated Amount*”).

Section 2.02. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make Drawings under the Letter of Credit in accordance with its terms. The Authority and the County hereby direct the Bank to make payments under the Letter of Credit in the manner therein provided. The Authority and the County hereby irrevocably approve reductions and reinstatements of the Stated Amount with respect to the Letter of Credit as provided in the Letter of Credit.

Section 2.03. Reimbursement of Certain Drawings Under the Letter of Credit; Mandatory Prepayment; Interest. (a)(i) If the conditions precedent set forth in Section 4.02 hereof are satisfied at the time of payment by the Bank of any Drawing, each Drawing made under the Letter of Credit shall constitute an advance (“*Advance*”) to the County.

(ii) The County promises to pay to the Bank the interest portion of each Advance on the date of the related Drawing.

(iii) The County promises to pay or cause to be paid to the Bank the principal portion of each Advance on the earliest to occur of (A) the fifth (5th) anniversary of the date on which the related Advance was made, (B) the date on which a substitute Credit Facility becomes effective in substitution of the Letter of Credit with respect to the Commercial Paper Notes, (C) the date on which the Stated Amount is permanently reduced to zero or the Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit terminating on the Letter of Credit Expiration Date), including as a result of the occurrence of an Event of Default and (D) the end of the term of the Authority’s program in respect of the Commercial Paper Notes as determined in accordance with the Trust Agreement.

(iv) Subject to Section 2.10 hereof, the County also promises to pay to the Bank interest on the unpaid principal amount of each Advance from the date such Advance is made until it is paid in full as provided herein, at a rate per annum equal to the Bank Rate from time to time in effect, and such interest shall be payable monthly in arrears on the first Business Day of each calendar month for the immediately preceding calendar month (commencing on the first Interest Payment Date to occur after the making of the related Advance), and on the date that the final principal or interest portion of such Advance is payable as herein provided.

(v) Unless otherwise paid in full on one of the dates provided above, the principal portion of each Advance shall be payable by the County in equal quarterly installments ("*Quarterly Principal Payments*") commencing on the first Business Day of the sixth calendar month immediately succeeding the date such Advance is made, and on the first Business Day of each third calendar month thereafter, with the final installment in an amount equal to the entire then outstanding principal amount of such Advance due and payable on the Amortization End Date (the period commencing on the date such installment is initially payable and ending on the Amortization End Date is referred to as the "*Amortization Period*"). Each Quarterly Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Quarterly Principal Payments over the applicable Amortization Period.

(b) Any Advance may be prepaid in whole or in part on the day such Advance is made. Any Advance created pursuant to paragraph (a)(i) above may be prepaid in whole or in part without premium or penalty on any other Business Day upon one Business Day's prior written notice to the Bank.

(c) Upon the Bank's receipt of any payment or prepayment of any Advance, the amount of such Advance shall be reduced by the amount of such payment or prepayment.

(d) All Reimbursement Obligations shall be made against and evidenced by the County's promissory note payable to the order of the Bank in the principal amount of the Original Stated Amount, such note to be executed by the County and delivered by the County to the Bank on the Closing Date in the form of Exhibit B attached hereto with appropriate insertions (the "Bank Note"). All Reimbursement Obligations due and owing to the Bank and all payments and prepayments on the account of the principal of and interest on each Reimbursement Obligation by or on behalf of the County shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts due and owing by the County hereunder, under the Fee Letter and under the Bank Note. The Bank may, but shall not be required to, complete the schedule attached to the Bank Note to reflect the making and status of unreimbursed Drawings and outstanding Advances due and owing hereunder and thereunder; *provided* that the failure to make or any error in making any such endorsement on such schedule shall not limit, extinguish or in any way modify the obligation of the County to repay unreimbursed Drawings, outstanding Advances or Reimbursement Obligations. The County shall pay principal and interest on the Bank Note on the dates and at the rates provided for in Sections 2.03 and 2.04 hereof.

Section 2.04. Reimbursement of Drawings Other Than Drawings Creating Advances Under the Letter of Credit. Unless the conditions precedent contained in Section 4.02 hereof are

satisfied on the date of payment by the Bank of a Drawing, the County agrees to reimburse the Bank for the full amount of such Drawing immediately upon payment by the Bank of such Drawing and on the date of each such payment. If the County does not make such reimbursement to the Bank with respect to such Drawing on such date, such Reimbursement Obligation shall bear interest at the Default Rate and be payable upon demand.

Section 2.05. Fees. The County hereby agrees to perform the obligations provided for in the Fee Letter, including, without limitation, the payment of any and all fees, expenses and other amounts provided for therein, at the times and in the amounts set forth in the Fee Letter. Without limiting the generality of the foregoing, in the event that the Letter of Credit is terminated or the Stated Amount is reduced and is not subject to reinstatement, the County shall pay to the Bank the Termination Fee and/or Reduction Fee, if any, at the times and in the amounts set forth in and as required by the Fee Letter. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. All references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including without limitation fees and expenses) under the Fee Letter. All fees paid under this Agreement and the Fee Letter shall be fully earned when due and nonrefundable when paid.

Section 2.06. Method of Payment; Etc. All payments to be made by the County under this Agreement and the Fee Letter shall be made at the Payment Office of the Bank, not later than 3:30 p.m., New York City time, on the date when due and shall be made by wire transfer in lawful money of the United States of America in freely transferable and immediately available funds. Any payment received by the Bank after 3:30 p.m., New York City time, shall be deemed to have been received by the Bank on the next Business Day.

Section 2.07. Termination of Letter of Credit by the County and the Authority. Notwithstanding any provisions of this Agreement, the Letter of Credit or any Program Document to the contrary, the County and the Authority agree not to terminate the Letter of Credit except upon (i) the payment by the County to the Bank of the Termination Fee or Reduction Fee, if any, in the amount set forth in the Fee Letter, (ii) the payment to the Bank of all fees, expenses and other Obligations payable hereunder and under the Fee Letter, including, without limitation, all principal and accrued interest due and owing on any Drawing or Advances or any amount due under the Bank Note and (iii) the County and the Authority providing the Bank with thirty (30) days prior written notice of their intent to terminate the Letter of Credit. All payments from the County to the Bank referred to in this Section 2.07 shall be made with immediately available funds on or before the date of termination.

Section 2.08. Computation of Interest and Fees. Fees payable hereunder and under the Fee Letter shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. All computations of interest payable by the County under this Agreement shall be made on the basis of a year of 365 days and actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

Section 2.09. Payment Due on Non-Business Day To Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Letter on a day which is not a

Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10. Late Payments. If the principal amount of any Obligation is not paid when due, such Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable upon demand.

Section 2.11. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.12. Extension of Letter of Credit Expiration Date. If the County on any date prior to the then current Letter of Credit Expiration Date, submits to the Bank a written request for an extension of the Letter of Credit Expiration Date in the form of Exhibit C hereto for a period as specified in such written request, the Bank will make reasonable efforts to respond to such request within 30 days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement and the Letter of Credit. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Letter of Credit Expiration Date shall be extended to the date agreed to by the Authority, the County and the Bank.

Section 2.13. Net of Taxes, Etc.

(a) *Payments Free of Taxes.* Any and all payments to the Bank by or on account of any obligation of the County hereunder or under the Fee Letter shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if the County shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other 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 2.13) the Bank 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 Other Taxes by the County.* Without limiting the provisions of paragraph (a) above, the County shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Indemnification by the County.* The County shall indemnify the Bank within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes

(including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.13) paid by the Bank and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the County by the Bank shall be conclusive absent manifest error. In addition, the County shall indemnify the Bank within ten (10) days after demand therefor, for any incremental Taxes that may become payable by the Bank 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 Bank 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 Other Taxes by the County to a Governmental Authority, the County shall deliver to the Bank 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 Bank.

(e) *Treatment of Certain Refunds.* If the Bank determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified pursuant to this Section 2.13 (including additional amounts paid by the County pursuant to this Section 2.13), 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 2.13 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Bank 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 Bank agrees to repay the amount paid over pursuant to this Section 2.13 (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Bank in the event the Bank is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Bank be required to pay any amount to an indemnifying party pursuant to this paragraph (e) the payment of which would place the Bank in a less favorable net after-Tax position than the Bank 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 Bank 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 2.13 shall survive the termination of this Agreement and the Letter of Credit and the obligations of the County thereunder and hereunder.

Section 2.14. Increased Costs Generally. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, 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 Bank or any Participant; or

(ii) subject to the Bank or any Participant to any Tax of any kind whatsoever with respect to this Agreement, the Letter of Credit or the Notes, or change the basis of taxation of payments to the Bank or such Participant in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.13 and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank or such Participant); or

(iii) impose on the Bank or any Participant any other condition, cost or expense affecting this Agreement, the Letter of Credit or the Notes.

and the result of any of the foregoing shall be to increase the cost to the Bank or such Participant of funding any Drawing under the Letter of Credit or maintaining the Letter of Credit (or of complying with any term of this Agreement or the Letter of Credit), or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder or under the Fee Letter, then, upon written request of the Bank or such Participant, the County shall pay to the Bank or such Participant, as the case may be, on the first Quarterly Payment Date to occur at least thirty (30) days following the request for compensation under this Section 2.14, such additional amount or amounts as will compensate the Bank or such Participant, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank or any Participant determines that any Change in Law affecting the Bank or such Participant or the Bank's or such Participant's parent or holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return on the Bank's or such Participant's or the Bank's or such Participant's parent or holding company holding, if any, as a consequence of this Agreement or maintaining the Letter of Credit, to a level below that which the Bank or such Participant or the Bank's, such Participant's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's or such Participant's policies and the policies of the Bank's or such Participant's parent or holding company with respect to capital adequacy), then from time to time upon written request of the Bank or such Participant the County shall promptly pay to the Bank or such Participant, as the case may be, such additional amount or amounts as will compensate the Bank or such Participant or the Bank's or such Participant's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank or a Participant setting forth the amount or amounts necessary to compensate the Bank or any such Participant or the Bank's or any such Participant's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.14 and delivered to the County, shall be conclusive absent manifest error. The County shall pay the Bank or any such Participant, as the case may be, the amount shown as due on any such certificate on the first Quarterly Payment Date to occur at least thirty (30) days following the request for compensation under this Section 2.14.

(d) *Delay in Requests.* Failure or delay on the part of the Bank or any such Participant to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of the Bank's or any such Participant's right to demand such compensation.

Section 2.15. Maximum Rate; Payment of Fee. If the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period; and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (ii) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or the Fee Letter, if applicable, ceases to exceed the Maximum Rate, at which time the County shall pay to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder or under the Fee Letter, as applicable, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter, as applicable, until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, in consideration for the limitation of the rate of interest otherwise payable hereunder and under the Fee Letter, the County shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.16. Nature of Obligations of the County. The obligations of the County under this Agreement and the Fee Letter shall constitute a general obligation of the County payable from the County's General Fund or other legally available funds of the County. The obligations of the County under this Agreement to reimburse the Bank for Drawings and Advances and its obligations under the Fee Letter shall be paid and performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of this Agreement, the Letter of Credit or any of the other Program Documents;

(b) any amendment or waiver of, or any consent to or departure from this Agreement or any of the other Program Documents;

(c) the existence of any claim, set-off, defense or other rights which the County may have at any time against the Trustee or the Issuing and Paying Agent, any beneficiary or any transferee of the Letter of Credit (or any person for whom the Issuing and Paying Agent, any such beneficiary or any such transferee may be acting), the Bank or any other person, whether in connection with this Agreement, the Letter of Credit, the Program Documents or any unrelated transaction;

(d) any statement in any certificate or any other document presented under the Letter of Credit providing to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank under the Letter of Credit against presentation of a draft or certificate which does not comply with the terms of the Letter of Credit.

Notwithstanding the foregoing or any other term or payment obligation set forth herein or in the Fee Letter, the County shall have no obligation to make Base Rental Payments and Additional Rental under the Sublease in excess of the maximum annual fair market rental value of the Leased Property. The County hereby agrees that the obligations of the County under this Agreement and the Fee Letter are payable in accordance with the provisions of this Agreement, the Fee Letter and the Sublease solely as Base Rental Payments or Additional Rental (subject to the preceding sentence) and the amounts on deposit with the Trustee and held by the Trustee under the Trust Agreement. The County further agrees that the obligations of the County under the Sublease to make the Base Rental Payments and Additional Rental, and the obligation to make all payments owed to the Bank hereunder or under the Fee Letter are payable from the General Fund of the County and any other legally available funds of the County; *provided, however*, that in no event shall such payments in any calendar year exceed the maximum annual fair market rental value of the Leased Property.

ARTICLE III

COMMERCIAL PAPER NOTES OPERATIONS

Section 3.01. Issuance Generally. The Authority may issue Commercial Paper Notes only in accordance with the terms of and subject to the conditions set forth in the Issuing and Paying Agent Agreement and this Agreement.

Section 3.02. No-Issuance Notices; Final Drawing Notice. (a) Commercial Paper Notes may be issued from time to time prior to the Letter of Credit Expiration Date in accordance hereof and with the terms of and subject to the conditions set forth in the Trust Agreement and the Issuing and Paying Agent so long as (i) the Issuing and Paying Agent is not in receipt of a No-Issuance Notice then in effect given by the Bank pursuant to this Section 3.02 or Section 7.02(b) hereof and not rescinded and (ii) the Issuing and Paying Agent is not in receipt of a Final Drawing Notice in substantially the form attached to the Letter of Credit as Annex H.

(b) The Bank may deliver a No-Issuance Notice in the form of Exhibit A attached hereto at any time when: (i) an Event of Default shall have occurred and be continuing; or (ii) the representations and warranties of the Authority or the County set forth in Article V hereof shall, in the reasonable opinion of the Bank, no longer be true and correct in any material respect. The Bank may deliver the Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. A No-Issuance Notice or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however*, that a No-Issuance Notice or the Final Drawing Notice received by the Issuing and Paying Agent after 11:00 a.m. New York City time, on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall

not render such No-Issuance Notice or the Final Drawing Notice ineffective. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the Authority, the County and the Dealer promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Issuance of the Letter of Credit. As conditions precedent to the obligation of the Bank to issue the Letter of Credit, the Authority and the County shall provide to the Bank on the Closing Date, each in form and substance satisfactory to the Bank and the Bank's counsel, Chapman and Cutler LLP (hereinafter, "*Bank's Counsel*") (delivery of the Letter of Credit to the Issuing and Paying Agent shall constitute agreement by the Bank that the conditions in this Article have been satisfied or waived by the Bank):

(a) *Approvals.* The Bank shall have received (1) executed originals of this Agreement and the Fee Letter duly executed by the Authority and the County and copies of all action taken by the Authority and the County (including, without limitation, the any authorizing resolutions) approving the execution and delivery by the Authority and the County of this Agreement, the Fee Letter and the Bank Note, in each case, certified by an authorized official of both the Authority and the County as complete and correct as of the date hereof and (2) executed or certified copies, as applicable, of each of the other Program Documents (except the Commercial Paper Notes) to which the Authority or County, as applicable, is a party, together with a certificate of an Authorized Representative of each of the Authority and the County, dated the Closing Date, stating that such Program Documents and approvals are in full force and effect on the Closing Date and have not been amended, repealed, rescinded, or supplemented in any manner, except for such amendments made in accordance with the express terms of such Program Documents for which the Authority or the County has provided notice to the Bank prior to the Closing Date.

(b) *Certificate and Incumbency of Authority Officials.* The Bank shall have received (1) an incumbency and specimen signature certificate of the Authority in respect of each of the officials who is authorized to (i) sign this Agreement, the Fee Letter and the Bank Note on behalf of the Authority and (ii) take actions for the Authority under this Agreement, the Fee Letter, the Bank Note and the other Program Documents (to which the Authority is a party) with respect to the Commercial Paper Notes and (2) a certificate of an Authorized Representative of the Authority, dated the Closing Date, certifying that (A) each of the Authority's representations and warranties contained herein and the other Program Documents to which the Authority is a party is true and correct on and as of the Closing Date as though made on and as of such date, (B) no Default or Event of Default has occurred and is continuing or will result from the execution and delivery by the Authority of this Agreement, the Fee Letter or the issuance of the Letter of Credit, and

(C) all conditions precedent set forth in the Trust Agreement and the Issuing and Paying Agent Agreement with respect to issuance of the Commercial Paper Notes shall have been satisfied.

(c) *Certificate and Incumbency of County Officials.* The Bank shall have received (1) an incumbency and specimen signature certificate of the County in respect of each of the officials who is authorized to (i) sign this Agreement, the Fee Letter and the Bank Note on behalf of the County and (ii) take actions for the County under this Agreement, the Fee Letter, the Bank Note and the other Program Documents (to which the County is a party) with respect to the Commercial Paper Notes and (2) a certificate of an Authorized Representative of the County, dated the Closing Date, certifying that (A) each of the County's representations and warranties contained herein and the other Program Documents to which the County is a party is true and correct on and as of the Closing Date as though made on and as of such date, (B) no Default or Event of Default has occurred and is continuing or will result from the execution and delivery by the County of this Agreement, the Fee Letter or the issuance of the Letter of Credit, (C) since June 30, 2012, except as disclosed to the Bank in writing, there has been no Material Adverse Change and there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) and no material litigation is ongoing with respect to the County, in any case, that may adversely affect the consummation of the transactions contemplated hereby or by any Program Document or result in a Material Adverse Effect and (D) the County has not received notice from the Rating Agencies that the long-term unenhanced ratings assigned to the General Fund debt of the County have been withdrawn, reduced or suspended since the dated date of the Rating Documentation.

(d) *Opinion of Bond Counsel.* The Bank shall have received a written opinion of Bond Counsel or counsel to the Authority, addressed to the Bank, dated the Closing Date to the effect that (i) this Agreement, the Fee Letter and the Bank Note have been duly authorized, executed and delivered by the Authority and the County, as applicable, and are the valid and binding obligations of the Authority and the County enforceable in accordance with their respective terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to the Authority and the County and equitable principles relating to or affecting creditors' rights generally from time to time; (ii) the execution and delivery by the Authority and the County of this Agreement, the Fee Letter and the Bank Note does not violate the constitution or laws of the State; and (iii) the Authority and the County have taken all actions, and have obtained any approvals, necessary to the authorization, execution, delivery and performance by the Authority and the County of this Agreement, the Fee Letter and the Bank Note. **[In addition, the Bank shall have received a letter from Bond Counsel authorizing the Bank to rely on the final approving opinion of Bond Counsel delivered to the Authority and the County in respect of the Commercial Paper Notes]. [SUBJECT TO FURTHER DISCUSSION AND REVIEW OF EXISTING OPINIONS.]**

(e) *Opinion of Counsel to the Authority.* The Bank shall have received a written opinion of counsel to the Authority, addressed to the Bank, dated the Closing Date in the form and substance agreed to by the counsel to the Authority and the Bank.

(f) *Opinion of County Counsel.* The Bank shall have received a written opinion of the County Counsel, addressed to the Bank, dated the Closing Date in the form and substance agreed to by the County Counsel and the Bank.

(g) *Bank Note.* The Bank shall have received an executed Bank Note payable to the Bank.

(h) *No Default, Etc.* No Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the Authority and the County of this Agreement, the Fee Letter and the Bank Note or the issuance of the Letter of Credit. The representations and warranties made by the Authority and the County in Article V hereof shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date.

(i) *Financial Information.* The Bank shall have received copies of (i) the County's audited financial statements for the Fiscal Year ended June 30, 2012; and (ii) the investment policy of the County.

(j) *Legality; Material Adverse Change.* The Bank shall have determined (in its sole discretion) that (i) none of the making of any Drawings or Advances, the issuance of the Letter of Credit or the consummation of any of the transactions contemplated by the Trust Agreement, the Commercial Paper Notes, the Bank Note, this Agreement or the Fee Letter will violate any law, rule, guideline or regulation applicable to the Authority, the County, the Bank, this Agreement or any other Program Document; and (ii) no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the Authority or the County shall have occurred since June 30, 2012, except as disclosed in writing to the Bank prior to **[January __]**, 2013, which would be reasonably likely to result in a Material Adverse Effect; and (iii) there has been no material adverse change in the laws, rules or regulations (or their interpretation or administration) that, in any case, may adversely affect the consummation of the transactions contemplated hereby or by any Program Document.

(k) *Litigation.* Prior to the Closing Date, the Bank shall have received a written description of all actions, suits or proceedings pending or, to the Authority's or the County's knowledge, threatened against the Authority or the County in any court or before any 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, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Bank may reasonably request, and all such matters shall be acceptable to the Bank in its sole discretion.

(l) *Fees, Etc.* The Bank shall have received payment of the fees, costs and expenses to be paid on or prior the Closing Date referred to in Section 9.06 hereof and pursuant to the Fee Letter.

(m) *Ratings.* The Bank shall have received written confirmation that (i) the Commercial Paper Notes have been rated at least “P-1” (or its equivalent) by Moody’s and “A-1” (or its equivalent) by S&P and (ii) the unenhanced General Fund debt of the County has been rated at least “A1” (or its equivalent) by Moody’s and “AA-” (or its equivalent) by S&P (referred to herein as the “*Rating Documentation*”).

(n) *Bank Note CUSIP and Rating.* The Bank shall have received written confirmation that (i) a CUSIP number (No. []) has been obtained from Standard and Poor’s CUSIP Services for the Bank Note and (ii) a long term rating of at least Investment Grade has been obtained for the Bank Note (and its related CUSIP number) from any Rating Agency.

(o) *Fair Rental Value Certificate.* The Bank shall have received a certificate of the County setting forth the annual fair rental value of each Component.

(p) *Title Insurance.* The Bank shall have received evidence of title insurance on the Components in an amount not less than the aggregate amount of all Commercial Paper Notes outstanding and naming the Bank as an additional loss payee.

(q) *Other Insurance.* The Bank shall have received evidence of the County’s current hazard and rental interruption insurance for the Components, and such insurance shall be satisfactory to the Bank. The Bank shall also have received a certificate from the County’s department of risk management stating that the County’s current policies of insurance and any self-insurance maintained by the County complies with the provisions of Section 4.3 of the Sublease. Any such commercial insurance policies shall name the Bank as a loss payee and shall be issued by insurers rated “A” or better by Best’s or approved by the Bank.

(r) *Other Documents.* The Bank shall have received such other documents, certificates and opinions as the Bank’s Counsel shall have reasonably requested.

Section 4.02. Conditions Precedent to Advances. Following any payment by the Bank under the Letter of Credit pursuant to a Drawing, an Advance shall be made available to the County only if on the date of payment of such Drawing by the Bank (a) the representations and warranties contained in Article V hereof are each true and correct in all material respects as of such date; and (b) no event has occurred and is continuing, or would result from such payment, which constitutes a Default or Event of Default.

Unless the Authority or the County shall have previously advised the Bank in writing that (i) any or all of the representations and warranties contained in Article V hereof are not true and correct in all material respects as of the date the Bank honors such Drawing and/or makes such Advance or (ii) any event has occurred and is continuing, or would result from the Bank

honoring such Drawing or making such Advance, which constitutes a Default or Event of Default, then the Authority shall be deemed to have represented and warranted on the date the Bank honors such Drawing and/or makes such Advance that (i) the representations and warranties contained in Article V hereof are true and correct in all material respects as of such date and (ii) no event has occurred and is continuing, or would result from the Bank honoring such Drawing and/or making such Advance, which constitutes a Default or Event of Default.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties of the County. In order to induce the Bank to enter into this Agreement and the Fee Letter and to issue the Letter of Credit, the County represents and warrants to the Bank as follows:

(a) *Organization; Existence.* The County is validly existing as a political subdivision of the State, duly organized and created and validly existing under the Constitution of the State, with full right and power to own its properties and to carry on its affairs as now being conducted and to execute, deliver and perform its obligations under this Agreement and each Program Document to which it is a party.

(b) *Authority to Adopt or Execute Documents.* The County had, as of the date of adoption thereof, full power and authority to adopt its resolution authorizing the execution and delivery of this Agreement and the Program Documents to which it is a party and the transactions contemplated hereby and thereby, and has, or had as of the date of execution and delivery, full power and authority to execute and deliver this Agreement and the Program Documents to which it is a party, and has full power and authority to perform its obligations under each of the foregoing.

(c) *Obligations Legal, Valid and Binding.* (i) This Agreement and the Program Documents to which the County is a party have been duly and validly authorized, executed and delivered and constitute the legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except insofar as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally, and by general principles of equity.

(ii) The County is neither in default, nor would the execution and delivery of any Program Document to which the County is a party result in, (A) a default hereunder or under the Program Documents to which it is a party or under any other mortgage, indenture, contract, agreement or undertaking to which it is a party, (B) a violation of any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to it, (C) a violation of any law or regulation applicable to it, or (D) a default with respect to any of its Debts payable from the General Fund, in any case, which default could

reasonably be expected to result in a Material Adverse Effect; and no event has occurred which with the giving of notice or the passage of time or both would constitute such a default.

(d) *No Legal Bar.* (i) The County is in compliance with and not in violation under any laws of the State which would adversely affect the County's existence or its powers and authority referred to in Section 5.01(a) hereof.

(ii) The execution, delivery and performance by the County of this Agreement and the Program Documents to which it is a party, and all other agreements and instruments relating to all the foregoing executed and delivered by the County in connection herewith and therewith (i) do not violate any provision of the laws of the State or any other applicable law, regulation, order, writ, judgment or decree of any court, arbitrator or governmental authority, and (ii) do not violate any provision of, constitute a default under, or result in the creation or imposition of any Lien on any of the assets of the County pursuant to the provisions of, any mortgage, resolution, indenture, contract, agreement or other undertaking to which the County is a party other than the Liens created hereby or by the Program Documents.

(iii) The County is not a party to, or otherwise subject to, any provision contained in any instrument evidencing Debt of the County, any agreement relating thereto or to the Leased Property or any portion thereof, or any other contract or agreement which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of the County that could reasonably be expected to result in a Material Adverse Effect.

(e) *Consents.* The County has obtained, or will obtain on or before the Closing Date, all consents, permits, licenses and approvals of, and has made all filings, registrations and declarations with, governmental authorities required under law, to authorize the execution, delivery and performance of this Agreement and the Program Documents to which it is a party and all other agreements delivered or to be delivered in connection with any thereof, and all such consents, permits, licenses, approvals, filings, registrations and declarations remain in full force and effect.

(f) *Litigation.* There is no action, suit, investigation or proceeding pending or, to the best of the County's knowledge after due inquiry, threatened against or affecting the County, in which an adverse determination could reasonably be expected to result in a Material Adverse Effect.

(g) *Disclosure.* The representations and statements made by the County in any document furnished to the Bank by the County in connection herewith or in connection with any Program Document are accurate as of the date of this Agreement. All financial statements of the County furnished to the Bank on or prior to the Closing Date were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved. Since the date of the most recent financial statements referred to in

the preceding sentence, no material adverse change has occurred in the business, operations or condition (financial or otherwise) of the County.

(h) *The Program Documents.* The representations and warranties of the County set forth in the Program Documents are true and accurate in all material respects on the date of this Agreement as fully as though made on the date of this Agreement. The County makes, as of the date of this Agreement, each of the representations and warranties therein, to be made by the County in the Program Documents, and for the benefit of, the Bank, as if the same were set forth at length herein together with all applicable definitions thereto. Except as otherwise provided herein, no amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Program Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Bank.

(i) *Liens.* All filings, recordings, registrations or other actions necessary to create and validly maintain the Liens provided for in the Lease, Sublease and Trust Agreement and herein have been completed.

(j) *No Proposed Legal Changes.* To the knowledge of the County, there is no amendment or no proposed amendment certified for placement on a statewide or local ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to result in a Material Adverse Effect.

(k) *No Immunity.* The County is not entitled to claim the defense of sovereign immunity in any action, suit or proceeding arising under or relating to this Agreement or any Program Document (a) for monetary damages or (b) for the execution or enforcement of any judgment (subject to applicable bankruptcy or insolvency laws or limitations on legal remedies against public agencies in the State of California), nor may there be attributed to the County any such immunity (whether or not claimed).

(l) *Environmental Matters.* Except as otherwise previously disclosed to the Bank in writing, to the best knowledge of the County after reasonable diligence with respect thereto:

(i) Hazardous Materials have not at any time been generated, used, treated or stored on, or transported to or from, the Leased Property or any property adjoining or in the vicinity of the Leased Property.

(ii) Hazardous Materials have not at any time been released or disposed of on the Leased Property or any property adjoining or in the vicinity of the Leased Property.

(iii) The County is in compliance with all applicable Environmental Laws and directives of governmental agencies thereunder with respect to the Leased Property and the requirements of any permits issued under such Laws with respect to the Leased Property.

(iv) There are no past, pending or threatened Environmental Claims against the County, the Authority or any of the Leased Property.

(v) There is no condition or occurrence on the Leased Property or any property adjoining or in the vicinity of the Leased Property that could be anticipated (x) to form the basis of an Environmental Claim against the County, the Authority or the Leased Property or (y) to cause the Leased Property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(vi) There are not now and never have been any underground storage tanks located on the Leased Property or any property adjoining or in the vicinity of the Leased Property.

(m) *Title to Property.* The County has good and marketable title to its real properties (other than properties that it leases or which it has an option to purchase), and good title to all of its other properties and assets (other than properties and assets disposed of in the ordinary course of business), including, without limitation, its interest in the Components.

(n) *Federal Reserve Regulations.* No part of the proceeds of the sale of the Commercial Paper Notes or the Drawings under the Letter of Credit will be used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation U of the Federal Reserve Board, as amended from time to time), or to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose which would violate any of the regulations of the Federal Reserve Board.

(o) *Employee Benefit Plans.* 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 County or any of its employees participate in. Neither the County nor any employee benefit plan maintained by the County is subject to ERISA.

[(p) *Tax-Exempt Status of Commercial Paper Notes.* The County has not taken any action and knows of no action that any other Person has taken, which would cause interest on the Commercial Paper Notes to be included in the gross income of the recipients thereof for Federal income tax purposes.]

(s) *Insurance.* The County shall maintains insurance in accordance with Section 4.3 of the Sublease.

(t) *Reserved.*

(u) *Trustee; Dealer.* U.S. Bank National Association is the duly appointed and acting Trustee and Issuing and Paying Agent and Barclays Capital Inc. is the duly appointed and acting Dealer.

(v) *Maximum Rate of Interest.* The terms of this Agreement and the Program Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(w) *Compliance with Laws.* The County is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or its properties, except in such instances in which (i) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(x) *Sublease and Site Lease.* The Sublease and the Site Lease are in full force and effect. The County has not been granted any waiver, indulgence or postponement of any of the County's obligations under the Sublease or the Site Lease. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Sublease or the Site Lease.

Section 5.02. Representations and Warranties of the Authority. In order to induce the Bank to enter into this Agreement and the Fee Letter and to issue the Letter of Credit, the Authority represents and warrants to the Bank as follows:

(a) *Organization; Existence.* The Authority is validly existing as a joint powers authority under the laws of the State, including the State constitution, with full right and power to own its properties and to carry on its affairs as now being conducted and to issue the Notes, to pledge the security and to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party.

(b) *Authority to Adopt or Execute Documents.* The Authority had, as of the date of adoption thereof, full power and authority to adopt its resolution authorizing the execution and delivery of this Agreement and the Program Documents to which it is a party and the transactions contemplated hereby and thereby, and has, or had as of the date of execution and delivery, full power and authority to execute and deliver this Agreement and the Program Documents to which it is a party, and has full power and authority to perform its obligations under each of the foregoing.

(c) *Obligations Legal, Valid and Binding.* (i) This Agreement and the Program Documents have been duly and validly authorized, executed and delivered and constitute the legal, valid and binding obligations of the Authority enforceable against the

Authority in accordance with their respective terms, except insofar as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally, and by general principles of equity.

(ii) The Authority is neither in default, nor would the execution and delivery of any Program Document result in (A) a default hereunder or under the Program Documents to which it is a party, (B) a violation of any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to it, or (C) a violation of any law or regulation applicable to it, in each case, which default could reasonably be expected to result in a Material Adverse Effect; and no event has occurred which with the giving of notice or the passage of time or both would constitute such a default.

(d) *No Legal Bar.* (i) The Authority is in compliance with and not in violation under any laws of the State which would adversely affect the Authority's existence or its powers and authority referred to in Section 5.02(a) hereof.

(ii) The execution, delivery and performance by the Authority of this Agreement and the Program Documents, and all other agreements and instruments relating to all the foregoing executed and delivered by the Authority in connection herewith and therewith do not violate any provision of the laws of the State or any other applicable law, regulation, order, writ, judgment or decree of any court, arbitrator or governmental authority.

(e) *Consents.* The Authority has obtained, or will obtain on or before the Closing Date, all consents, permits, licenses and approvals of, and has made all filings, registrations and declarations with, governmental authorities required under law, to authorize the execution, delivery and performance of this Agreement and the Program Documents to which it is a party and all other agreements delivered or to be delivered in connection with any thereof, and all such consents, permits, licenses, approvals, filings, registrations and declarations remain in full force and effect.

(f) *Litigation.* There is no action, suit, investigation or proceeding pending or, to the best of the Authority's knowledge after due inquiry, threatened against or affecting the Authority, in which an adverse determination could reasonably be expected to result in a Material Adverse Effect.

(g) *The Program Documents.* The representations and warranties of the Authority set forth in the Program Documents are true and accurate in all material respects on the date of this Agreement as fully as though made on the date of this Agreement. The Authority makes, as of the date of this Agreement, each of the representations and warranties therein, to be made by the Authority in the Program Documents, and for the benefit of, the Bank, as if the same were set forth at length herein together with all applicable definitions thereto. Except as otherwise provided herein, no amendment, modification, termination or replacement of any such representations,

warranties, covenants and definitions contained in the Program Documents shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Bank.

(h) *No Immunity.* The Authority is not entitled to claim the defense of sovereign immunity in any action, suit or proceeding arising under or relating to this Agreement or any Program Document (a) for monetary damages or (b) for the execution or enforcement of any judgment (subject to applicable bankruptcy or insolvency laws or limitations on legal remedies against public agencies in the State of California), nor may there be attributed to the Authority any such immunity (whether or not claimed).

(i) *Title to Property.* The Authority has good and marketable title to its interest in the Components.

ARTICLE VI

COVENANTS

The County and the Authority will do the following so long as any amounts may be drawn under the Letter of Credit or any Obligations remain outstanding under this Agreement and/or the Fee Letter, unless the Bank shall otherwise consent in writing:

Section 6.01. Covenants. The Authority and the County each agrees that so long as the Letter of Credit remains outstanding or any amount payable hereunder remains unpaid:

(a) *Information.* The County and the Authority will prepare or cause to be prepared and deliver to the Bank the following:

(i)(A) as promptly as available, and in any event by February 15 after the end of the County's Fiscal Year, the complete audited financial statements of the County, including the balance sheet of the County as of the end of such Fiscal Year and the related statements of revenues and expenses and changes in financial position for such Fiscal Year, all certified as to the fairness of presentation and conformity with GAAP by a recognized firm of independent certified public accountants;

(B) any audited financial statements shall be audited and accompanied by a report of a recognized firm of independent certified public accountants, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(ii) concurrently with the delivery of the financial statements delivered to the Bank pursuant to (a)(i) above, a certificate from an Authorized

Representative certifying that such Authority Representative has no knowledge of any event which constitutes a Default or Event of Default that has occurred and is continuing;

(iii) concurrently with the delivery of the financial statements delivered to the Bank pursuant to (a)(i)(A) above, a copy of the County's annual budget for the next Fiscal Year including therein as a separate line item all Rental Payments due during such period;

(iv) (A) Within ten (10) days after the issuance of any securities by or on behalf of the County with respect to which a final official statement or other offering or disclosure document has been prepared by or on behalf of the County, (1) provide the Bank with a copy of such official statement or offering circular or (2) provide the Bank with notice that such information has been filed with EMMA and is publicly available; and (B) during any period of time the County is subject to continuing disclosure requirements under Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, immediately following any dissemination, distribution or provision thereof to any Person, (1) provide the Bank with a copy of any reportable event notice (as described in b(5)(i)(C) of Rule 15c2-12) disseminated, distributed or provided in satisfaction of or as may be required pursuant to such requirements or (2) provide the Bank with notice that such event notice has been filed with EMMA and is publicly available.

(v) upon the substitution of any Component under the Sublease, a certificate of an Authorized Representative setting forth the fair rental value of such Component;

(vi) concurrently with the delivery of the financial statements delivered to the Bank pursuant to (a)(i) above, a certificate of an authorized officer of the County stating whether an event has occurred which (i) adversely affects the fair rental value of any Component, or (ii) otherwise permits an abatement of Base Rental Payments otherwise payable under the Sublease;

(vii) promptly upon receipt, a copy of any material notice, certification, demand, report or other writing or communication given by the Issuing and Paying Agent, the Trustee or by any third party under or in connection with the Notes or any of the Related Documents; and

(viii) such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the County or the Authority, as the Bank may from time to time reasonably request.

(b) *Outstanding Notes Not to Exceed Stated Amount.* The Authority and the County will instruct the Issuing and Paying Agent not to authenticate or deliver any

Commercial Paper Note if, immediately after the authentication and delivery of, and receipt of payment for, such Commercial Paper Note, the aggregate principal amount of Commercial Paper Notes then to be Outstanding under the Trust Agreement, together with interest to accrue thereon to maturity (including, respecting Commercial Paper Notes the interest rate of which may vary, the maximum amount of interest thereon), would exceed the Stated Amount of the Letter of Credit.

(c) *Defaults.* The Authority will promptly notify the Bank of the occurrence of any Event of Default, specifying the details of such Event of Default and the action that the Authority proposes to take with respect thereto.

(d) *Maintenance of Books and Records; Access to Books and Records.* The Authority and the County will keep proper books of record and account in which full, true and correct entries and reporting practices will be made of all dealings or transactions in relation to its activities. All financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the financial statements, except as otherwise specifically prescribed herein. Except as provided in the immediately preceding sentence, in preparing any financial data or statements contemplated or referred to in this Agreement, the County shall not vary or modify the accounting methods or principles from the accounting standards employed in the preparation of its audited financial statements described in Section 5.01(g) hereof.

(ii) The Authority and the County will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the Authority and the County, respectively (except records and books of accounts the examination of which by the Bank is prohibited by law), and to discuss the affairs, finances and accounts of the Authority and the County with any representative or any other appropriate officer of the Authority and the County or the Authority's or the County's independent public accountants.

(e) *Other Obligations.* The Authority and the County will comply with and observe all other material obligations and requirements set forth in the Trust Agreement and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all laws statutes and regulations binding upon it, noncompliance with which could reasonably be expected to result in a Material Adverse Effects.

(f) *Litigation; Material Change.* The Authority and the County shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, or (ii) the occurrence of any other event or change which could reasonably be expected to result in a Material Adverse Effect.

(g) *Compliance with Documents.* The County and the Authority agree that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Program 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 all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable against the County and the Authority. To the extent that any such incorporated provision permits the County or the Authority, the holders of one or more Commercial Paper Notes or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the County or the Authority, the holders of one or more Commercial Paper Notes or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. Except as permitted by Section 6.01(b) hereof, no termination or amendment to such covenants and agreements or defined terms or release of the County or the Authority with respect thereto made pursuant to the Program Documents to which each is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the County or the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any Program Document, the County and the Authority shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(h) *County and the Authority to Maintain Existence.* The Authority agrees that it will maintain its existence as a joint exercise of powers authority under the laws of the State of California. The Authority will not dissolve or otherwise dispose of all or substantially all of its assets and (unless it is the surviving entity following any consolidation or merger) will not permit one or more other Persons to consolidate with or merge into it, except with the prior written consent of the Bank, which consent shall not be unreasonably withheld. The County agrees that it will maintain its existence as a political subdivision of the State of California under the laws of the State of California. The County will not dissolve or otherwise dispose of all or substantially all of its assets.

(i) *Further Assurances.* From time to time hereafter, the County and the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of the Program Documents or for the purpose of more fully perfecting or renewing the rights of the Bank with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter

acquired by the County or the Authority which may be deemed to be a part thereof). Upon the exercise by the Bank of any power, right, privilege or remedy pursuant to the Program Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the County and/or the Authority will, to the fullest extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Bank may be required to obtain for such governmental consent, approval, registration, qualification or authorization. At any time, and from time to time, upon request by the Bank, the County and/or the Authority will, at the County's expense, correct any defect, error or omission which may be discovered in the form or content of any of the Program Documents or protect the Bank's interests, security, rights and remedies with respect to the Pledged Property.

(j) *Title Insurance.* The County and the Authority shall, during the term of the Sublease, cause each of the Components to be covered by a CLTA leasehold policy (10-21-87) of title insurance insuring the County's interest under the Sublease and naming the Bank an additional insured as its interest may appear, and a CLTA loan policy (10-21-87) insuring the Bank's interest as it may appear, each in an amount not less than the Stated Amount of the Letter of Credit, subject only to such exceptions as shall be acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank, including endorsements regarding zoning and access to public roads, and otherwise in form and substance satisfactory to the Bank and its counsel and issued by an insurance company acceptable to the Bank and its counsel and authorized to issue such insurance in the State of California.

(k) *Maintenance of Insurance.* The County and the Authority covenant that each will maintain insurance on each of the Components with responsible and reputable insurance companies satisfactory to the Bank in such amounts, with such deductibles, and covering such risks and contingencies as the Bank shall request, including without limitation rental interruption insurance covering the Rental Payments for a period of at least two years. The County may self-insure to the extent permitted by the Sublease. The County agrees to cause each issuer of an insurance policy to agree in writing to give the Bank advance notice of any cancellation or lapse in coverage. The County and the Authority covenant not to amend any insurance policy maintained by the County or the Authority with respect to the Components without the Bank's prior written approval (which approval shall not be unreasonably withheld).

(l) *Repayment of Bank.* If at any time an Advance is outstanding hereunder or any amounts are owed by the County to the Bank hereunder, and the County and the Authority are unable, or reasonably foresee that both will be unable, to increase Rental Payments in an amount sufficient to reimburse the Bank for any unreimbursed Drawings or Advances which have become due and payable, the County and the Authority shall either: (i) provide for the substitution of new real property for one or more of the Components, such new real property to have a fair rental value sufficient to support Rental Payments sufficient to pay all unreimbursed Drawings and Advances, and to reimburse the Bank for all Reimbursement Obligations and pay all other obligations

owing to the Bank hereunder and under the Fee Letter, or (ii) support the issuance of bonds or other certificates of participation sufficient in value to pay all unreimbursed Drawings and Advances, as applicable, and to reimburse the Bank for all Reimbursement Obligations and pay all other obligations owing to the Bank hereunder and under the Fee Letter.

(m) *Covenants and Legal Duties.* The covenants on the part of the County and the Authority herein contained and in the other Program Documents shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County or the Authority to carry out and perform such covenants and agreements.

(n) *Maximum Base Rental.* Upon the making of any Advance or the acceleration of any Obligation hereunder or under the Fee Letter, the County and the Authority agree to cause the Maximum Base Rental for each Component to be increased so that the annual aggregate rental payments payable with respect to such Component equal the maximum fair market rental for such Component. The County and the Authority shall, at the Bank's request, re-determine or cause to be re-determined the fair market rental for such Component as of the date of any such event.

(o) *Compliance with Laws.* The County and the Authority shall comply with and observe the obligations and requirements set forth in the Constitution of the State and in all statutes and regulations binding upon them, the Trust Agreement, the Sublease and the other Program Documents.

(p) *Application of Drawings.* Neither the County nor the Authority will take or omit to take any action, which action or omission will in any way result in the proceeds of the Drawings or the Advances being applied for any purpose other than to pay principal of and interest on Commercial Paper Notes on their respective maturity dates.

(q) *Maintenance of Ratings.* The County and the Authority covenant and agree that it shall at all times maintain (i) at least two unenhanced long-term ratings from any of Fitch, Moody's or S&P on its long-term Debt payable from the General Fund, (ii) at least one short-term rating on the Commercial Paper Notes by any Rating Agency, and (iii) at least one long-term rating of at least Investment Grade for the Bank Note from any Rating Agency. The County and the Authority covenant and agree that they shall not at any time withdraw any long-term unenhanced rating on its long-term Debt payable from the General Fund from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

(r) *Substitute Credit Facility or Refinancing.*

(i) The County and the Authority agree to use their best efforts to obtain a substitute Credit Facility to replace the Letter of Credit or otherwise refinance, redeem or defease the Commercial Paper Notes in the event (i) the Bank decides not to extend the

Letter of Credit Expiration Date or if the County and/or the Authority fail to request such an extension (such replacement, refinancing, redemption or defeasance to occur on or before the Letter of Credit Expiration Date), (ii) the Letter of Credit is terminated or (iii) the County and/or the Authority terminates this Agreement in accordance with the terms hereof.

(ii) The County and the Authority agree that any substitute Credit Facility will require, as a condition to the effectiveness of the substitute Credit Facility, that the provider of substitute Credit Facility provide funds to the extent necessary, on the date the substitute Credit Facility becomes effective, for payment of all Reimbursement Obligations at par plus interest (at the applicable rate pursuant to the terms hereof) through the date repaid. On the effective date of such substitute Credit Facility or refinancing, redemption or defeasance, as the case may be, the County shall pay, or cause to be paid, in full all other amounts due under this Agreement, the Fee Letter and the Bank Note (including, without limitation, all Excess Interest and unpaid interest thereon) and the County and/or the Authority shall provide for the surrender (and cancellation) of the Letter of Credit to the Bank.

(iii) Neither the County nor the Authority shall permit a substitute Credit Facility to become effective with respect to less than all of the Commercial Paper Notes without the prior written consent of the Bank.

(s) In the event that the County or the Authority 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 which supports Debt of the County secured by or payable from the General Fund of the County (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 and remedies (but specifically excluding provisions in other Bank Agreements relating to 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 Bank in this Agreement, the County and/or the Authority shall provide the Bank 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 Bank 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 Bank shall have and maintain the benefit of such More Favorable Provision even if no such amendment is entered into).

(t) To the fullest extent permitted and/or required by State law, the County and the Authority shall cause the appropriate County and Authority official(s) to take any and all ministerial actions that may be necessary to facilitate the payment of all obligations under this Agreement, the Fee Letter and the Bank Note and to include such

obligations in the annual budget of the County (including any necessary appropriations related thereto).

ARTICLE VII

NEGATIVE COVENANTS

Section 7.01. Negative Covenants. Unless and until the Letter of Credit shall have terminated and all Obligations shall have been paid in full, neither the County nor the Authority shall, without the prior written consent of the Bank, directly or indirectly:

(a) *Leased Property and Liens.* (i) Neither the County nor the Authority shall have outstanding or incur any direct or contingent liabilities or lease obligations (other than the Program Documents and the obligation of the County to the Bank hereunder and under the Fee Agreement) with respect to the Leased Property or create, incur, assume or suffer to exist any Lien upon the Leased Property.

(ii) Neither the County nor the Authority shall (A) abandon, vacate or close the Leased Property, (B) encumber, sell, lease, convey or otherwise dispose of, any interest in, nor create, suffer or assume any Lien to be created on the Leased Property, or (C) substitute other assets, land or property for the Leased Property or any portion thereof and in effect on the date hereof or release any portion of the Leased Property.

(b) *Immunity from Jurisdiction.* To the fullest extent permitted by law, the County and the Authority will not assert any immunity it may have as a public entity under the laws of the State of California from lawsuits with respect to this Agreement or the Fee Letter. Any such suits shall be subject to all substantive and procedural requirements of California law, including California Government Code, Title 1 Division 3.6 and the Charter.

(c) *Maintenance of Tax-Exempt State of Commercial Paper Notes.* Neither the County nor the Authority will take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on any Commercial Paper Notes from gross income for purposes of federal income taxation or the exemption of such interest from State of California personal income taxes.

(d)(i) *Application of Commercial Paper Note Proceeds.* Neither the County nor the Authority will take or omit to take any action, which action or omission will in any way result in the proceeds from the sale of the Commercial Paper Notes being applied in a manner other than as provided in the Trust Agreement and the other Program Documents.

(ii) The County and the Authority agree not to authorize, instruct or permit the Issuing and Paying Agent to authenticate and deliver Commercial

Paper Notes at any time when any Advance is outstanding unless the proceeds of the sale of such Commercial Paper Notes are to be applied on the sale date to repay either (i) such Advance (together with all accrued and unpaid interest thereon), or (ii) principal of and accrued interest on concurrently maturing Commercial Paper Notes.

(e) *References to the Bank.* The County and the Authority will not refer to the Bank in any official statement, offering memorandum, or private placement memorandum or make any changes in reference to the Bank in any revision of the Offering Memorandum without the Bank's prior written consent thereto, which consent shall not be unreasonably withheld.

(f) *Lease Payments.* The County and the Authority will not issue or authorize the issuance of any obligation payable from the Rental Payments due under the Sublease.

(g) *Limitation on Voluntary Liens.* The Authority and the County shall not create a pledge, lien or charge on any part of the Pledged Property, other than the lien in favor of holders of the Commercial Paper Notes. The County and the Authority covenant (i) to keep the Components and all parts thereof free from judgments, and materialmen's and mechanics' liens, claims, demands, encumbrances, liabilities and other Liens of whatever nature or character, which, in each case, might hamper the County in utilizing the Components; and (ii) promptly, upon request of the Bank, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Components or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose and will, to the extent permitted by law, indemnify and hold the Bank harmless from all cost, damage, expense, or loss, including attorneys' fees, that it may incur by reason of any such cloud, defect, action, suit, or other proceeding.

(h) *No Impairment.* The County and the Authority will not take any action, or cause or permit the Trustee or the Issuing and Paying Agent to take any action, under the Trust Agreement, the Sublease or any other Program Document inconsistent with the rights of the Bank under this Agreement.

(i) *No Amendment Without Consent of the Bank.* Without the prior written consent of the Bank, which consent shall not be unreasonably withheld, the Authority and the County will not agree or consent to any amendment, supplement, waiver or modification of any provision of any Program Document to which the Authority or the County is a party which could reasonably be expected to result in an adverse effect on the rights, security or interests of the Bank.

(j) *Issuing and Paying Agent; Dealer; Trustee.* Neither the County nor the Authority will, without the prior written consent of the Bank, which consent shall not be unreasonably withheld, (a) remove, or seek to remove, the Dealer, the Trustee or the Issuing and Paying Agent; or (b) appoint or consent to the appointment of any successor

Trustee, Issuing and Paying Agent or Dealer. The County and the Authority agree to (x) issue Commercial Paper Notes and (y) cause the Dealer to use its best efforts to sell Commercial Paper Notes, in each case, up to the Maximum CP Rate in order to repay maturing Commercial Paper Notes. If any Advance remains outstanding for a period of thirty (30) consecutive calendar days or the Dealer fails to sell Commercial Paper Notes, at the written direction of the Bank, the County and the Authority shall cause the Dealer to be replaced with a Dealer satisfactory to the Bank within thirty (30) calendar days of the receipt of such written direction. The Dealer Agreement shall provide that the Dealer may resign upon at least sixty (60) days' prior written notice to the County, the Authority and the Bank.

ARTICLE VIII

DEFAULTS

Section 8.01. Events of Default and Remedies. If any of the following events shall occur, each such event shall be an "Event of Default":

(a) the County and/or the Authority fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing or any Advance, (ii) any Letter of Credit Fee within three (3) calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of this Section 8.01(a)) within five (5) calendar days of the date such Obligation is due;

(b) any representation, warranty or statement made by or on behalf of the County or the Authority herein or in any Program Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the County (including unaudited financial reports, budgets, projections and cash flows of the County) furnished to the Bank by or on behalf of the County or the Authority in connection with the transactions contemplated hereby, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;

(c) (i) either the County or the Authority fail to perform or observe any term, covenant or agreement contained in Section 6.01(b), (h), (j), (k), (n), (p), (q), (r)(ii), (r)(iii) or 7.01 hereof; or (ii) either the County or the Authority fails to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in Sections 8.01(a) and 8.01(c)(i) hereof) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after the earlier of (A) written notice thereof to the County and/or the Authority or (B) an Authorized Representative having actual knowledge thereof;

(d) the County shall default in any payment of any Debt (other than the Commercial Paper Notes, the Drawings or the Advances) payable from the General Fund

of the County, beyond the period of grace, if any, provided in the instrument or agreement under which such Debt was created;

(e) (i) a court or other Governmental Authority with jurisdiction to rule on the validity of this Agreement or any other Program Document shall find, announce or rule that any material provision of this Agreement and any other Program Document is not a valid and binding agreement of the County or the Authority, as applicable; or (ii) the County or the Authority shall contest the validity or enforceability of this Agreement or any other Program Document or any material provision of this Agreement or any other Program Documents, or shall seek an adjudication that this Agreement or any other Program Document is not valid and binding on the County or the Authority or the County or the Authority shall repudiate its obligations under this Agreement or any other Program Document; or (iii) the validity, effectiveness or enforceability of this Agreement or any other Program Document shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) a final judgment or order for the payment of money in excess of \$20,000,000 shall have been rendered against the County or the Authority and such judgment or order shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered;

(g) (i) 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 (including, without limitation, amounts due under any Bank Agreement) payable from the General Fund of the County; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the County or the Authority seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or its debts (or the existence of the County or the Authority is dissolved or terminated by any other means); (iii) the County or the Authority seeks appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of the County's or the Authority's property, or the County or the Authority shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the County or the Authority any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed for a period of sixty (60) days; (v) there shall be commenced against the County or the Authority any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) days from the entry thereof; (vi) a financial control board, or its equivalent, shall be

imposed upon the County or the Authority by a Governmental Authority; (vii) the County or the Authority takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) above; or (viii) the County or the Authority shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(h) any of Fitch, Moody's or S&P shall have downgraded its rating of any lease revenue Debt of the County payable from the General Fund of the County below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same for any credit-related reason;

(i) any "event of default" shall have occurred and be continuing under any Program Document beyond the expiration of any applicable grace period; or

(j) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Trust Agreement or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Commercial Paper Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within fifteen (15) days from the entry thereof.

Section 8.02. Remedies. Upon the occurrence of any Event of Default, all Obligations shall bear interest at the Default Rate and the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) by notice to the County and/or the Authority, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the County and the Authority; *provided* that upon the occurrence of an Event of Default described under Section 8.01(g) hereof such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing);

(b) by notice of the occurrence of any Event of Default to the Trustee (which notice shall constitute a "No-Issuance Notice" for purposes of the Issuing and Paying Agent Agreement) prohibit, until such time, if any, as the Bank shall withdraw (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Trustee);

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, the Fee Letter or the Bank Note, or consent to any departure by the County or the Authority therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall, unless in writing and signed by the Bank, affect the rights or duties of the Bank under this Agreement or any other Program Document.

Section 9.02. Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), facsimile transmission, or regular mail, as follows:

to the Authority: Ventura County Public Financing Authority
 c/o County Executive Office
 County Government Center
 800 South Victoria Avenue
 Ventura, California 93009-1940
 Attention: Chief Financial Officer
 Telephone: (805) 662-6792
 Fax: (805) 654-5106

to the County: County of Ventura
 c/o County Executive Office
 County Government Center
 800 South Victoria Avenue
 Ventura, California 93009-1940
 Attention: Chief Financial Officer
 Telephone: (805) 662-6792
 Fax: (805) 654-5106

to the Bank with
respect to credit
matters:

Wells Fargo Bank, National Association
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
Telephone: (213) 614-2235
☐ Facsimile: (213) 614-3555 ☐
Attention: Lynn Love
☐ Email: lovely@wellsfargo.com

to the Bank,
with respect to
Drawings under
the Letter of Credit:

Wells Fargo Bank, National Association
U.S. Trade Services, Standby Letter of Credit Office
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Telephone: 1-800-798-2815
Facsimile: (415) 296-8905
Attention: FOR THE URGENT ATTENTION OF THE
STANDBY LETTER OF CREDIT OFFICE

with a copy to:

Wells Fargo Bank, National Association
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
☐ Telephone: 213-614-4091
☐ Facsimile: 213-614-3555
☐ Attention: Andrea Boquet ☐
Email: andrea.boquet@wellsfargo.com

to the Trustee:

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Telephone: (212) 361-2892
Facsimile: (212) 514-6841
Attention: Corporate Trust Services

to the Dealers:

Barclays Capital Inc.
745 7th Avenue, 2nd Floor
New York, New York 10019
Telephone: (212) 528-9011
Facsimile: (212) ____ - ____
Attention: David T. Lo, Director

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered or sent by facsimile transmission or mailed, be effective when deposited with the courier, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that Drawing certificates submitted to the Bank shall not be effective until received by the Bank.

Section 9.03. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Drawing or Advance hereunder and shall continue in full force and effect and until all Obligations hereunder, under the Fee Letter and under the Bank Note shall have been paid in full. Whenever in this Agreement and the Fee Letter any of the parties hereto and thereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the County or the Authority which are contained in this Agreement, the Fee Letter and the Bank Note shall inure to the benefit of the successors and assigns of the Bank. Neither the County nor the Authority may transfer its rights or obligations under this Agreement, the Fee Letter or the Bank Note without the prior written consent of the Bank. The Bank may transfer some or all of its obligations under this Agreement and the Letter of Credit with the prior written consent of the County and the Authority (which consent shall not be withheld unreasonably); *provided* that (i) the County and the Authority have received written notice from each Rating Agency then providing short-term unenhanced ratings to the Commercial Paper Notes that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Commercial Paper Notes; and (ii) the Bank shall be responsible for all costs resulting from the transfer; *provided, further*, that the Bank may transfer some or all of its rights under this Agreement without the prior written consent of the County and the Authority. This Agreement, the Fee Letter and the Bank Note are made solely for the benefit of the Authority, the County, the Bank, and no other Person (including, without limitation, the Issuing and Paying Agent, the Trustee, the Dealer or any holder of Commercial Paper Notes) shall have any right, benefit or interest under or because of the existence of this Agreement, the Fee Letter or the Bank Note; *provided, further*, that the liability of the County and the Authority to any Participant shall not in any event exceed that liability which the County and the Authority would owe to the Bank but for such participation.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation or participations in all or any part of the Bank's rights and benefits under this Agreement, the Fee Letter and the Bank Note on a participating basis but not as a party to this Agreement, the Fee Letter or the Bank Note (a "*Participation*") without the consent of the County or the Authority. In the event of any such grant by the Bank of a Participation to a Participant, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the County and the Authority shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement, the Letter of Credit and the Bank Note. The County and the Authority agree that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement, the Fee Letter and the Bank Note as if such Participant were the Bank; *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 8.01 hereof; and *provided further* that no such Participant

shall be entitled to receive payment pursuant to Section 2.13 and 2.14 hereof in an amount greater than the amount which would have been payable had the Bank not granted a Participation to such Participant.

Section 9.04. Reserved.

SECTION 9.05. LIABILITY OF BANK: INDEMNIFICATION. (a) TO THE FULLEST EXTENT PERMITTED BY THE LAWS OF THE STATE, THE COUNTY AND THE AUTHORITY ASSUME ALL RISKS OF THE ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT WITH RESPECT TO THE USE OF THE LETTER OF CREDIT AND THE USE OF PROCEEDS THEREUNDER; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE EITHER THE COUNTY OR THE AUTHORITY FROM PURSUING SUCH RIGHTS AND REMEDIES AS IT MAY HAVE AGAINST THE ISSUING AND PAYING AGENT UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS SHALL BE LIABLE OR RESPONSIBLE FOR (I) THE USE OF THE LETTER OF CREDIT, THE DRAWINGS OR ADVANCES THEREUNDER OR HEREUNDER, THE PROCEEDS OF THE COMMERCIAL PAPER NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE PROGRAM DOCUMENTS OR FOR ANY ACTS OR OMISSIONS OF THE TRUSTEE, THE ISSUING AND PAYING AGENT OR THE DEALER; (II) THE VALIDITY, SUFFICIENCY OR GENUINENESS OF ANY DOCUMENTS DETERMINED IN GOOD FAITH BY THE BANK TO BE VALID, SUFFICIENT OR GENUINE, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT; (III) PAYMENTS BY THE BANK AGAINST PRESENTATION OF REQUESTS FOR DRAWINGS OR REQUESTS FOR WHICH THE BANK IN GOOD FAITH HAS DETERMINED TO BE VALID, SUFFICIENT OR GENUINE AND WHICH SUBSEQUENTLY ARE FOUND NOT TO COMPLY WITH THE TERMS OF THIS AGREEMENT OR THE LETTER OF CREDIT; OR (IV) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING IN GOOD FAITH TO MAKE PAYMENT HEREUNDER OR UNDER THE LETTER OF CREDIT; *PROVIDED* THAT NEITHER THE COUNTY NOR THE AUTHORITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK FOR ANY CLAIMS, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, SOLELY AND DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BANK.

(b) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE, THE COUNTY AND THE AUTHORITY HEREBY INDEMNIFY AND HOLD HARMLESS THE BANK AND ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS FROM AND AGAINST ANY AND ALL DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (INCLUDING SPECIFICALLY REASONABLE ATTORNEYS' FEES) WHICH THE BANK MAY INCUR (OR WHICH MAY BE CLAIMED AGAINST THE BANK BY ANY PERSON WHATSOEVER) BY REASON OF OR IN CONNECTION WITH (I) THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE FEE LETTER, THE LETTER OF CREDIT AND THE BANK NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY; AND (II) THE STATEMENTS CONTAINED IN THE OFFERING MEMORANDUM PREPARED AND DISTRIBUTED IN CONNECTION WITH THE COMMERCIAL PAPER NOTES; *PROVIDED* THAT THE NEITHER THE COUNTY NOR THE AUTHORITY SHALL BE REQUIRED TO INDEMNIFY THE BANK, AND THE COUNTY AND/OR THE AUTHORITY SHALL HAVE A CAUSE OF ACTION AGAINST THE BANK, AND THE BANK SHALL BE LIABLE, FOR ANY DIRECT, AS OPPOSED TO CONSEQUENTIAL OR PUNITIVE CLAIMS, DAMAGES (THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES BEING HEREBY WAIVED), LOSSES, LIABILITIES, COSTS OR EXPENSES (A) TO THE EXTENT, BUT ONLY TO THE EXTENT,

SOLELY AND DIRECTLY CAUSED BY (1) THE BANK'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE; OR (2) THE BANK'S WILLFUL FAILURE TO MAKE LAWFUL PAYMENT UNDER THE LETTER OF CREDIT AFTER THE PROPER PRESENTATION TO THE BANK BY THE ISSUING AND PAYING AGENT UNDER THE ISSUING AND PAYING AGENT AGREEMENT OF A DRAWING STRICTLY COMPLYING WITH THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT; OR (B) INCURRED IN CONNECTION WITH THE STATEMENTS CONTAINED IN [APPENDIX __ TO THE OFFERING MEMORANDUM UNDER THE CAPTION "CERTAIN INFORMATION REGARDING THE BANKS – WELLS FARGO BANK, NATIONAL ASSOCIATION"] AS SET FORTH IN THE OFFERING MEMORANDUM. The Bank is hereby expressly authorized and directed to honor any demand for payment which is made under the Letter of Credit without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between the County, the Authority, the Dealer, the Trustee, the Issuing and Paying agent or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrences represented in any of the documents presented under the Letter of Credit are true and correct.

Section 9.06. Expenses and Taxes. The County will promptly pay (a) the reasonable fees and expenses of counsel to the Bank incurred in connection with the preparation, execution and delivery of this Agreement, the Fee Letter and the Letter of Credit; (b) the reasonable fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement and the Fee Letter after the occurrence of an Event of Default (subject to the cap on fees and expenses described in the Fee Letter); and (c) all reasonable costs and expenses, if any, in connection with the enforcement of this Agreement and the Fee Letter and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the County shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the Fee Letter and the security contemplated by the Program Documents and any related documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the County and the Authority agree to pay, after the occurrence of an Event of Default, all costs and expenses incurred by the Bank in enforcing any obligations or in collecting any payments due from the County hereunder or under the Fee Letter by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement or the Fee Letter in the nature of a "workout" or of any insolvency or bankruptcy proceedings.

Section 9.07. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement, the Letter of Credit and any other Program Documents, this Agreement shall control solely as among the County, the Authority and the Bank.

Section 9.08. Reserved.

Section 9.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

Section 9.10. Counterparts. This 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 Agreement by signing any such counterpart.

Section 9.11. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 9.12. ENTIRE AGREEMENT. THIS AGREEMENT AND THE FEE LETTER, TOGETHER WITH THE BANK NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO.

Section 9.13. Governing Law; Jurisdiction; Waiver of Jury Trial. (a) This Agreement shall be governed by and construed in accordance with the laws of the State.

(b) *Submission to Jurisdiction.* Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any state or federal court of the State of California, in any action or proceeding arising out of or relating to this Agreement or any other Program 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 California State Court or, to the fullest extent permitted by applicable law, in such federal court. 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 Program Document shall affect any right that the Bank may otherwise have to bring any action or proceeding relating to this Agreement or any other Program Document against the County, the Authority or any other party or its properties in the courts of any jurisdiction.

(c) *Waiver of Venue.* Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this agreement or any other Related Document in any court referred to in paragraph (b) of this section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) *Service of Process.* Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.13. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(e) *Waiver of Jury Trial.* Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Program Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory).

(f) *Judicial Reference.* If the waiver of jury trial contained in Section 9.13(e) hereof is unenforceable for any reason, then any action or proceeding is filed in a court of the State of California by or against any party hereto in connection with any of the transactions contemplated by this Agreement or any other Program Document, (a) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, *provided* that at the option of any party to such proceeding, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (b) without limiting the generality of Section 9.18 hereof, the City shall be solely responsible to pay all fees and expenses of any referee appointed in such action or proceeding.

Section 9.14. Reserved.

Section 9.15. USA Patriot Act; Government Regulations. The Bank hereby notifies the County and the Authority that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”), the Bank is required to obtain, verify and record information that identifies the County and the Authority, which information includes the name and address of the County and the Authority and other information that will allow the Bank to identify the County and the Authority in accordance with the Patriot Act. The County and the Authority shall, promptly following a request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply with all applicable Bank Secrecy Act (“*BSA*”) laws and regulations, as amended.

The County and the Authority hereby represent and warrant and covenant and agree (a) that it is not and shall not be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“*OFAC*”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the County or the Authority or from otherwise conducting business with the County or the Authority and (b) to ensure that the proceeds of the Commercial Paper Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 9.16. Dealing with the County, the Authority, the Issuing and Paying Agent, the Trustee, and/or the Dealer. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the County, the Authority, the Issuing and Paying Agent, the Trustee, and/or the Dealer regardless of the capacity of the Bank hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority, the County and the Bank have duly executed this Agreement as of the date first above written.

VENTURA COUNTY PUBLIC FINANCING
AUTHORITY

By: _____
Name: _____
Title: _____

COUNTY OF VENTURA, CALIFORNIA

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION**IRREVOCABLE TRANSFERABLE DIRECT-PAY LETTER OF CREDIT****January __, 2013**

No. [_____]

U.S. Bank National Association,
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Corporate Trust Department

Ladies and Gentlemen:

1. At the request and for the account of our customers, the Ventura County Public Financing Authority (the "*Authority*") and the County of Ventura, California (the "*County*"), which has or will cause the issuance of the Authority's Lease Revenue Tax-Exempt Commercial Paper Notes (the "*Commercial Paper Notes*"), Wells Fargo Bank, National Association (the "*Bank*"), hereby establishes, in favor of U.S. Bank National Association (as successor to U.S. Bank Trust National Association), as Issuing and Paying Agent (in such capacity, the "*Issuing and Paying Agent*") acting for the benefit of the holders of the Commercial Paper Notes pursuant to (i) that certain Trust Agreement, dated as of October 1, 1998, as amended, supplemented or otherwise modified from time to time, by and between the Authority and U.S. Bank National Association (as successor to U.S. Bank Trust National Association), as Trustee (in such capacity, the "*Trustee*"), as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and the Reimbursement Agreement (as hereinafter defined) (the "*Trust Agreement*") and (ii) that certain Issuing and Paying Agent Agreement, dated as of October 1, 1998, by and between the Authority and the Issuing and Paying Agent, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and the Reimbursement Agreement (the "*Issuing and Paying Agent Agreement*"), pursuant to which the Commercial Paper Notes have been or will be issued from time to time, and pursuant to that certain Reimbursement Agreement, dated as of January 1, 2013 (the "*Reimbursement Agreement*"), among the Authority, the County and the Bank, this Irrevocable Transferable Direct-Pay Letter of Credit (this "*Letter of Credit*") in the maximum available amount of Fifty-One Million Six Hundred Forty Thousand Dollars (\$51,640,000), hereinafter, as reduced or reinstated from time to time in accordance with the provisions hereof, the "*Stated Amount*"), which may be drawn upon by the Issuing and Paying Agent to pay the unpaid principal amount of Commercial Paper Notes on their respective stated maturity dates, together with accrued and unpaid interest thereon. The Stated Amount may be permanently reduced from time to time in accordance with paragraph 6 hereof. The Stated Amount of this Letter of Credit will be

permanently reduced to the amount set forth on an Annex (Permanent Reduction of the Stated Amount of Letter of Credit) in the form of Annex B hereto from time to time delivered by you to the Bank; *provided, however*, that in no event shall the Stated Amount of this Letter of Credit be reduced to an amount less than the then outstanding principal amount of all Commercial Paper Notes outstanding plus all interest due on the stated maturity date thereof. Drawings (as herein defined) shall be made on or prior to the date any sum is due on the Commercial Paper Notes; *provided*, that the Bank is not obligated to honor such Drawings until the respective stated maturity dates of such Commercial Paper Notes.

2. This Letter of Credit shall expire at 5:00 p.m. New York City time on the date (the "*Termination Date*") which is the earliest to occur of: (a) January __, 2015 (the "*Letter of Credit Expiration Date*"), as such date may be extended in a Notice of Extension from the Bank to the Issuing and Paying Agent, the Authority and the County in the form attached hereto as Annex F; (b) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored hereunder which were not subject to reinstatement as provided herein, in the aggregate equals the Stated Amount on the date of issuance hereof as adjusted pursuant to the terms and conditions of this Letter of Credit; (c) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex C attached hereto appropriately completed (after we honor any properly presented and conforming Drawing, if any, on such date); (d) the date on which the Bank receives a termination certificate signed by your duly authorized officer in the form of Annex D attached hereto appropriately completed; or (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which you receive notice from us in the form of Annex H-1 hereto (the "*Final Drawing Notice*"), and (ii) the date on which the Drawing (in the form of Annex H-2 hereto) resulting from the delivery of the Final Drawing Notice is honored hereunder. All Drawings hereunder shall be paid from immediately available funds of the Bank.

3. Funds under this Letter of Credit are available to you against your presentation of a drawing certificate in the form of Annex A or Annex H-2 hereto (a "*Drawing*") which shall be made by facsimile to: Wells Fargo Bank, National Association, **[U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE, Attention: FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE, Facsimile: (415) 296-8905, Telephone: 1-800-798-2815]**, or at any other number or numbers which may be designated by the Bank by written notice delivered to you. Each Drawing so presented shall have all blanks appropriately filled in and shall be signed by a person who purports to be an authorized officer of the Issuing and Paying Agent and each of the aforesaid certificates shall be either in the form of a letter on the letterhead of the Issuing and Paying Agent or a communication by telecopy delivered or transmitted to the Bank. Any telecopy pursuant to which a Drawing is made hereunder shall be promptly confirmed by you to us by telephone (but such notice shall not be a condition to drawing hereunder and you shall have no liability for not doing so).

4. The Bank hereby agrees with you that, to the extent of its liability as provided herein, all demands for payment made under and in compliance with the terms of this Letter of Credit will be duly honored upon delivery or transmission of the certificate as specified in

paragraph 3 hereof and if presented at the aforesaid office on or before the Termination Date. If a Drawing is made by you hereunder at or prior to **[11:00 a.m.]**, New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made in the amount specified in such Drawing in immediately available funds, no later than **[2:30 p.m.]**, New York City time, on the same Business Day. If a Drawing is made by you hereunder after **[11:00 a.m.]**, New York City time, on a Business Day and such Drawing conforms to the terms and conditions hereof, payment shall be made of the amount specified in such Drawing, in immediately available funds, not later than **[2:30 p.m.]**, New York City time, on the next succeeding Business Day. Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds, to the Issuing and Paying Agent in accordance with the instructions specified by the Issuing and Paying Agent in the drawing certificate relating to a particular drawing hereunder. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent. As used in this Letter of Credit, "*Business Day*" shall mean any day other than (a) a Saturday, Sunday, or other day on which commercial banks located in the States of New York or California are authorized or required by law or executive order to be closed, (b) a day on which the presentation office of the Bank for Drawings hereunder is authorized or required by law or executive order to be closed, and (c) a day on which the New York Stock Exchange is closed.

5. Demands for payment honored hereunder shall not at the time of any Drawing exceed the Stated Amount, as the Stated Amount may have been reduced or reinstated by the Bank as hereinafter provided. Subject to the preceding sentence, each Drawing honored by the Bank hereunder shall *pro tanto* reduce, by the amount of such Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing, except to the extent the Stated Amount has been reinstated in accordance with the provisions of paragraph 7 of this Letter of Credit.

6. Upon receipt by the Bank of a certificate in the form of Annex B (a "*Stated Amount Reduction Certificate*") attached hereto appropriately completed and signed by your duly authorized officer, the Stated Amount shall be permanently reduced to the amount set forth therein.

7. After any Drawing, the Stated Amount will be reinstated, but only when and to the extent amounts are received by the Bank for reimbursement of the amount of such Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice), and will be subject to any reduction in said Stated Amount as above provided in paragraph 6, unless you shall have received notice from the Bank in substantially the form of Annex G or Annex H attached hereto that an Event of Default under the Reimbursement Agreement has occurred and is continuing.

8. Only you or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit. Upon the payment to you or to your account of the amount demanded hereunder, the Bank shall be fully discharged of its obligation under this Letter of Credit with respect to such demand for payment and shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other

person who may have made to you or makes to you a demand for payment of principal of or interest on any Commercial Paper Note. By paying to you an amount demanded in accordance herewith, the Bank makes no representations as to the correctness of the amount demanded.

9. (a) Upon our receipt of a termination certificate in the form of Annex D hereto indicating that all Commercial Paper Notes are wholly defeased or otherwise no longer outstanding and that the Authority does not intend to issue any additional Commercial Paper Notes, this Letter of Credit shall expire as provided in paragraph 2(d) hereof. In connection with the termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled".

(b) Upon our receipt of a termination certificate in the form of Annex C hereto, this Letter of Credit shall terminate as provided in paragraph 2(c) hereof. In connection with the termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled".

10. This Letter of Credit is intended to apply only to the payment of the principal amount of the Commercial Paper Notes and interest thereon upon the maturity thereof.

11. Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws. Unless otherwise specified herein, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at Wells Fargo Bank, National Association, **[U.S. Trade Services, Standby Letter of Credit Office, MAC A0195-212, One Front Street, 21st Floor, San Francisco, California 94111, Attention: FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE]**, specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the **[U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE at 1-800-798-2815]**, and have the Letter of Credit number available. Any communication to the Bank (other than Drawings) shall be in writing delivered to the Bank at the address set forth in this paragraph 11 hereof.

12. This Letter of Credit is transferable in whole only to your successor as Issuing and Paying Agent. Any such transfer (including any successive transfer) shall be subject to the Bank's receipt of a signed transfer request signed by the transferor and by the transferee in the form of Annex E hereto together with the original Letter of Credit. Transfers to designated foreign nationals and/or specifically designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon our endorsement of such transfer, the transferee instead of the transferor shall, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided* that, in such case, any certificates of the Issuing and Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer of the transferee.

13. This Letter of Credit sets forth in full the Bank's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the certificates, notices and annexes referred to herein; and no such reference shall be deemed to incorporate herein by reference any document, instrument or agreement.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Bank

By: _____
Name: _____
Title: _____

**ANNEX A TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

Wells Fargo Bank, National Association
U.S. Trade Services
Standby Letter of Credit Office
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF
THE STANDBY LETTER OF CREDIT OFFICE

cc: Via Facsimile to (415) 296-8905

Re: _____ Drawing Certificate

Ladies and Gentlemen:

U.S. Bank National Association, (the “*Issuing and Paying Agent*”) hereby certifies to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated January __, 2013 (the “*Letter of Credit*”; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent pursuant to the Reimbursement Agreement that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement, and is acting as agent for the owners of Commercial Paper Notes.

2. The Issuing and Paying Agent is making a drawing under the Letter of Credit with respect to payment of the principal amount of, and interest on, the Commercial Paper Notes due on _____.

3. The amount demanded hereby is \$_____ to be used for payment of principal of, and interest on, the Commercial Paper Notes. Said amount does not exceed

the amounts permitted to be drawn under the Letter of Credit in accordance with the Letter of Credit.

4. The amount demanded hereunder was computed in accordance with the terms and conditions of the Issuing and Paying Agent Agreement and the Trust Agreement.

5. The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the Authority or the County or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Commercial Paper Notes for the benefit of the Authority or the County.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal of and interest on Commercial Paper Notes upon the stated maturity thereof, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) such amount will be deposited into the applicable Payment Account within the Issuing and Paying Agent Fund (established pursuant to the Trust Agreement), and (d) except for the other amounts on deposit in such Payment Account within the Issuing and Paying Agent Fund, no portion of said amount shall be commingled with other funds held by the undersigned.

7. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

8. Payment by the Bank, shall be made to _____ ABA Number _____, Account Number _____, Attention: _____, Re: _____.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex A as of the _____ day of _____, _____.

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: Ventura County Public Financing Authority
County of Ventura, California

**ANNEX B TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

Wells Fargo Bank, National Association
U.S. Trade Services
Standby Letter of Credit Office
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF
THE STANDBY LETTER OF CREDIT OFFICE

cc: Via Facsimile to (415) 296-8905

Re: Permanent Reduction of the Stated Amount of Letter of Credit

Ladies and Gentlemen:

U.S. Bank National Association (the “*Issuing and Paying Agent*”) hereby certifies to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated January __, 2013 (the “*Letter of Credit*”; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement, and is acting as the agent for the owners of the Commercial Paper Notes.

2. The Issuing and Paying Agent hereby notifies you that on or prior to the date hereof the Authority and the County have determined that the Stated Amount of the Letter of Credit shall be permanently reduced to \$_____.

3. The Issuing and Paying Agent hereby confirms that the aggregate principal amount of Commercial Paper Notes outstanding, together with the aggregate interest payable on such principal amount of such Commercial Paper Notes outstanding, as of the date hereof, does not exceed the Stated Amount of the Letter of Credit as so reduced.

4. If any Commercial Paper Notes are outstanding as of the date of this Annex B, the Authority has informed us that it will not issue additional Commercial Paper Notes unless after the issuance of such additional Commercial Paper Notes the aggregate principal amount of Commercial Paper Notes outstanding, together with the aggregate interest payable thereon, shall be no greater than the Stated Amount of the Letter of Credit, as so permanently reduced pursuant to this Annex B.

5. The Stated Amount of the Letter of Credit is reduced to \$_____ upon receipt by the Bank of this Annex B.

6. The undersigned represents that he/she is a duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex B as of the _____ day of _____, _____.

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: Ventura County Public Financing Authority
County of Ventura, California

**ANNEX C TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

Wells Fargo Bank, National Association
U.S. Trade Services
Standby Letter of Credit Office
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF
THE STANDBY LETTER OF CREDIT OFFICE

cc: Via Facsimile to (415) 296-8905

Re: Termination of Letter of Credit (Alternate Credit Facility)

Ladies and Gentlemen:

U.S. Bank National Association (the “*Issuing and Paying Agent*”) hereby certifies to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated January __, 2013 (the “*Letter of Credit*”; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement.
2. As Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement, the Issuing and Paying Agent has accepted an Alternate Credit Facility (as defined in the Trust Agreement), in compliance with the Trust Agreement and the Reimbursement Agreement.
3. Upon receipt of this Annex C, the Letter of Credit shall terminate as provided in paragraph 2(c) of the Letter of Credit.
4. Accompanying this Annex C is the original Letter of Credit, marked “cancelled”.

5. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex C as of the _____ day of _____, _____.

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: Ventura County Public Financing Authority
County of Ventura, California

**ANNEX D TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

Wells Fargo Bank, National Association
U.S. Trade Services
Standby Letter of Credit Office
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF
THE STANDBY LETTER OF CREDIT OFFICE

cc: Via Facsimile to (415) 296-8905

Re: Termination of Letter of Credit
(No Commercial Paper Notes Outstanding)

Ladies and Gentlemen:

U.S. Bank National Association (the “*Issuing and Paying Agent*”) hereby certifies to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated January __, 2013 (the “*Letter of Credit*”; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent that:

1. The Issuing and Paying Agent is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement.
2. All the Commercial Paper Notes are wholly defeased or no Commercial Paper Notes remain outstanding under the Trust Agreement.
3. The Authority has notified us that it does not intend to issue any additional Commercial Paper Notes and desires to terminate this Letter of Credit in accordance with terms of the Reimbursement Agreement.
4. Upon receipt by the Bank of this Annex D, the Letter of Credit shall terminate as provided in paragraph 2(d) of the Letter of Credit.

5. Accompanying this Annex D is the original Letter of Credit, marked “cancelled”.
6. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the Issuing and Paying Agent has executed and delivered this Annex D as of the _____ day of _____, _____.

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By _____
Name _____
Title _____

cc: Ventura County Public Financing Authority
County of Ventura, California

**ANNEX E TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

Wells Fargo Bank, National Association
U.S. Trade Services
Standby Letter of Credit Office
MAC A0195-212

One Front Street, 21st Floor
San Francisco, California 94111

Attention: FOR THE URGENT ATTENTION OF
THE STANDBY LETTER OF CREDIT OFFICE

cc: Via Facsimile to (415) 296-8905

Re: Transfer of Irrevocable Transferable Direct-Pay
 Letter of Credit No. [_____]
 dated January __, 2013

Ladies and Gentlemen:

For value received, we, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the "*Letter of Credit*") in its entirety to:

NAME OF TRANSFEREE

(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE

CITY, STATE/COUNTRY ZIP

as successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement, each as defined in the Letter of Credit, all rights of the undersigned beneficiary to draw under the Letter of Credit in its entirety.

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in the Letter of Credit are transferred to the Transferee, who shall have

the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of the Letter of Credit in such form and manner as you deem appropriate, and the terms and conditions of the Letter of Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor issuing and paying agent under the Issuing and Paying Agent Agreement and the Trust Agreement, (b) the enclosed Letter of Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which the Bank (as defined in the Letter of Credit) effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Transfer is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Sincerely yours,

(Print Name of Transferor)

(Transferor's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

<p style="text-align: center;">SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> <p>_____ (Telephone Number)</p> <p>_____ (Date)</p>

Acknowledged:

(Print Name of Transferee)

(Transferee's Authorized Signature)

(Print Authorized Signers Name and Title)

(Telephone Number/Fax Number)

<p style="text-align: center;">SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.</p> <p>_____ (Print Name of Bank)</p> <p>_____ (Address of Bank)</p> <p>_____ (City, State, Zip Code)</p> <p>_____ (Print Name and Title of Authorized Signer)</p> <p>_____ (Authorized Signature)</p> <p>_____ (Telephone Number)</p> <p>_____ (Date)</p>
--

Acknowledged as of _____, 20__:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

cc: Ventura County Public Financing Authority
 County of Ventura, California

**ANNEX F TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

U.S. Bank National Association
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Commercial Paper Administration

Re: _____ Notice of Extension

Ladies and Gentlemen:

We refer to the Irrevocable Transferable Direct-Pay Letter of Credit No. [_____] (the "*Letter of Credit*") of Wells Fargo Bank, National Association. Any capitalized term used herein and not defined herein shall have its respective meaning as set forth in the Letter of Credit

The Letter of Credit Expiration Date is extended from _____ to _____.

This Notice of Extension shall be attached to the Letter of Credit and made a part thereof.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By _____
Name _____
Title _____

ACCEPTED AND APPROVED BY:

VENTURA COUNTY PUBLIC FINANCING AUTHORITY

By _____
Name _____

COUNTY OF VENTURA, CALIFORNIA

By _____
Name _____

[Date]

Re: Event of Default under Reimbursement Agreement
and Permanent Reduction Notice

The undersigned, authorized officer of Wells Fargo Bank, National Association (the “*Bank*”) with reference to that certain Irrevocable Transferable Direct-Pay Letter of Credit No. [____], dated January __, 2013 (the “*Letter of Credit*”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of U.S. Bank National Association, as Issuing and Paying Agent, hereby certify that:

1. There exists an Event of Default under Section ____ of the Reimbursement Agreement and such Event of Default is continuing.
2. The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Event of Default under Reimbursement Agreement and Permanent Reduction Notice (“*Default and Reduction Notice*”), to cease issuing Commercial Paper Notes.
3. Upon receipt by you of this Annex G you are notified (i) that the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) that the Stated Amount of the Letter of Credit shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding on the date of your receipt this Default and Reduction Notice plus interest thereon to maturity (“*Outstanding Notice Amount*”), (iii) that the Stated Amount of the Letter of Credit shall be further permanently reduced following the Bank honoring the related Drawing upon the maturity of any such Commercial Paper Notes (or with respect

to the Final Drawing Notice, upon the Bank honoring the final Drawing), and shall be further permanently reduced from time to time as otherwise may be provided in the Letter of Credit and (iv) that the Stated Amount shall no longer be reinstated following any Drawings.

You are hereby requested under the terms of the Letter of Credit to acknowledge receipt of this notice, make certain undertakings, and certify the Outstanding Notice Amount in the manner set forth below.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex G as of the _____ day of _____, ____.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By _____
Name _____
Title _____

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank National Association, as Issuing and Paying Agent, hereby accepts this Default and Reduction Notice on _____, 20____ (the "*Acceptance Date*") and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date. U.S. Bank National Association, as Issuing and Paying Agent, hereby certifies that the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$_____, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

U.S. BANK NATIONAL ASSOCIATION, AS ISSUING AND PAYING AGENT

By _____
Name _____
Title _____

cc: Ventura County Public Financing Authority
County of Ventura, California

**ANNEX H-1 TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]**

[Date]

U.S. Bank National Association
as Issuing and Paying Agent
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Commercial Paper Administration

Re: Final Drawing Notice

Ladies and Gentlemen:

Reference is made to Irrevocable Transferable Direct-Pay of Credit No. [_____], dated January __, 2013 (the "*Letter of Credit*"; established by Wells Fargo Bank, National Association (the "*Bank*") in your favor as Beneficiary and as Issuing and Paying Agent, and at the request of the account parties, the Ventura County Public Financing Authority (the "*Authority*") and the County of Ventura, California (the "*County*"), any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be).

Please be advised that:

- (1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.
- (2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Final Drawing Notice, to cease issuing Commercial Paper Notes.
- (3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Final Drawing Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement that are both (x) outstanding on the date hereof and (y) are maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit

will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us. Notwithstanding anything in the Issuing and Paying Agent Agreement or the Indenture to the contrary, the final Drawing under the Letter of Credit shall not provide for the payment of Commercial Paper Notes that are issued after the receipt by the Issuing and Paying Agent of this notice or a Notice of No Issuance (as defined in the Reimbursement Agreement) or Annex G to the Letter of Credit.

You are hereby requested under the terms of the Letter of Credit to acknowledge receipt of this notice, make certain undertakings, and certify the new Stated Amount of the Letter of Credit in the manner set forth below.

IN WITNESS WHEREOF, the Bank has executed and delivered this Annex H-1 as of the _____ day of _____, ____.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Bank

By _____
Name _____
Title _____

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank National Association, as Issuing and Paying Agent, hereby accepts this Final Drawing Notice on _____, 20____ (the "*Acceptance Date*") and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date. U.S. Bank National Association, as Issuing and Paying Agent, hereby certifies that as of the Acceptance Date, the principal amount of Commercial Paper Notes currently outstanding plus interest thereon to maturity equals \$_____, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

U.S. BANK NATIONAL ASSOCIATION, AS ISSUING AND PAYING AGENT

By _____
Name _____
Title _____

cc: Ventura County Public Financing Authority
County of Ventura, California

ANNEX H-2
TO
WELLS FARGO BANK, NATIONAL ASSOCIATION
LETTER OF CREDIT NO. [_____]

Wells Fargo Bank, National Association
U.S. Trade Services
Standby Letter of Credit Office
MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF
THE STANDBY LETTER OF CREDIT OFFICE

cc: Via Facsimile to (415) 296-8905

Re: Certificate for Drawing in connection with the
 Payment of Principal and Interest after Final Drawing Notice

U.S. Bank National Association, (the “*Issuing and Paying Agent*”) hereby certifies to Wells Fargo Bank, National Association (the “*Bank*”), with reference to Irrevocable Transferable Direct-Pay Letter of Credit No. [_____], dated January __, 2013 (the “*Letter of Credit*”; any other capitalized terms used herein and not defined herein having their respective meanings set forth in the Letter of Credit or the therein defined Reimbursement Agreement, as the case may be), issued by the Bank in favor of the Issuing and Paying Agent pursuant to the Reimbursement Agreement that:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement, and is acting as agent for the owners of Commercial Paper Notes.
2. The Issuing and Paying Agent has received the Final Drawing Notice.
3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Commercial Paper Notes that (i) were issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement, (ii) were outstanding prior to the Issuing and Paying Agent’s receipt of the Final Drawing Notice and/or a Stop Issuance Instruction (as defined in the Reimbursement Agreement) and (iii) mature on or after the date of the Final Drawing Notice. Notwithstanding anything in the Issuing and Paying Agent Agreement or the

Indenture to the contrary, this Drawing shall not provide for the payment of Commercial Paper Notes that are issued after the receipt by the Issuing and Paying Agent of this notice or a Stop Issuance Instruction.

4. The amount of the Drawing is equal to \$_____. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Issuing and Paying Agent Agreement and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and interest payable to maturity of, the Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit. The amount of the Drawing in respect of the payment of interest payable to maturity of the Commercial Paper Notes does not exceed the Interest Component. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the applicable Payment Account within the Issuing and Paying Agent Fund (established pursuant to the Trust Agreement) and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Issuing and Paying Agent Agreement and the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for amounts on deposit in such Payment Account within the Issuing and Paying Agent Fund and except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. This Annex H-2 is being presented to the Bank on a date which is no later than the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after receipt by the Trustee of the Final Drawing Notice from the Bank.

7. Payment by the Bank pursuant to this drawing shall be made to [_____, ABA Number _____, Account Number _____, Attention _____.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Annex H-2 as of the _____ day of _____, _____.

U.S. BANK NATIONAL ASSOCIATION, as Issuing
and Paying Agent

By: _____
Name: _____
Title: _____

cc: Ventura County Public Financing Authority
County of Ventura, California

EXHIBIT A

[FORM OF NO-ISSUANCE NOTICE]

[Dated Date]

Ventura County Public Financing Authority
c/o County Executive Office
County Government Center
800 South Victoria Avenue
Ventura, California 93009-1590
Attention: Chief Financial Officer

The County of Ventura, California
County Executive Office
County Government Center
800 South Victoria Avenue
Ventura, California 93009-1590
Attention: Chief Financial Officer

U.S. Bank National Association,
as Trustee
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Commercial Paper Administration

Re: VENTURA COUNTY PUBLIC FINANCING AUTHORITY
LEASE REVENUE TAX-EXEMPT
COMMERCIAL PAPER NOTES

Ladies and Gentlemen:

Pursuant to Sections 3.02(b) and 7.02(b) of that certain Reimbursement Agreement, dated as of January 1, 2013 (the “*Reimbursement Agreement*”), among the Ventura County Public Financing Authority, the County of Ventura, California and the undersigned, as Bank, you are hereby notified that (a) either (1) an “Event of Default” under Section 8.01() of the Reimbursement Agreement has occurred and is now continuing or (2) one or more of the representations and warranties of the County or the Authority set forth in the Reimbursement Agreement, are in the reasonable opinion of the Bank, no longer true and correct in all material respects and; (b) upon receipt of this notice, (i) no new Commercial Paper Notes, as defined in the Reimbursement Agreement, shall be issued or authenticated (ii) the Stated Amount of the

EXHIBIT A
(to Reimbursement Agreement)

Letter of Credit shall be permanently reduced to \$_____, representing the principal amount of Commercial Paper Notes currently outstanding and interest thereon, and shall be further permanently reduced following the maturity of any such Commercial Paper Notes, and (iii) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings.

This No-Issuance Notice shall remain in effect unless you have received written notification from us that this No-Issuance Notice has been rescinded.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Bank

By: _____
Name: _____
Title: _____

cc: [DEALER]
[RATING AGENCIES]

EXHIBIT B

[FORM OF BANK NOTE]

\$ __,000,000 Maximum Principal Amount

January __, 2013

FOR VALUE RECEIVED, the undersigned, the COUNTY OF VENTURA, CALIFORNIA (the "*County*"), hereby promises to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION (the "*Bank*") at its principal office at 707 Wilshire Blvd., 11th Floor, Los Angeles, California 90017, in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds, the principal amount equal to the aggregate unreimbursed amount of the Advances made by the Bank pursuant to the Agreement not to exceed _____ Dollars (\$ __,000,000). Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement, dated as of January 1, 2013 (the "*Agreement*") among the County, Ventura County Public Financing Authority and the Bank, as from time to time in effect.

The County further promises to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Agreement. The Bank may endorse its records relating to this Bank Note with appropriate notations evidencing the Advances under the Agreement and payments of principal hereunder as contemplated by the Agreement.

This Bank Note is issued pursuant to, is entitled to the benefits of, and is subject to, the provisions of the Agreement and that certain Trust Agreement, dated as of October 1, 1998, each by and between the Borrower and U.S. Bank National Association, as Trustee. The principal of this Bank Note is subject to prepayment in whole or in part in accordance with the terms of the Agreement.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Bank Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

This bank note and the obligations of the borrower hereunder shall for all purposes be governed by and interpreted and determined in accordance with the laws of the State of California (excluding the laws applicable to conflicts or choice of law).

IN WITNESS WHEREOF, the County has caused this Bank Note to be signed in its name as an instrument by its duly authorized officer on the date and in the year first above written.

COUNTY OF VENTURA, CALIFORNIA

By _____
Name: _____
Title: _____

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

Wells Fargo Bank, National Association, as Bank
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
Attention: Lynn Love

cc: Via Facsimile to (213) 614-3555 ☐

Re: Request for Extension of Irrevocable Transferable
Direct-Pay Letter of Credit No. [_____]

Ladies and Gentlemen:

Pursuant to Section 2.12 of that certain Reimbursement Agreement, dated as of January 1, 2013 (the "*Reimbursement Agreement*"), among Ventura County Public Financing Authority (the "*Authority*"), the County of Ventura, California (the "*County*") and Wells Fargo Bank, National Association (the "*Bank*"), the County and the Authority hereby requests that the Letter of Credit Expiration Date be extended for a one-year extension. All capitalized terms contained herein which are not specifically defined herein shall be deemed to have the definition set forth in the Reimbursement Agreement.

The Bank is requested to notify the County and the Authority of its decision with respect to this request for extension within 30 days of the date of receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. If the Bank fails to notify the County and the Authority of its decision within such 30-day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

COUNTY OF VENTURA, CALIFORNIA

By: _____
Name: _____
Title: _____

cc: U.S. Bank National Association