



AGENDA

BOARD OF SUPERVISORS, COUNTY OF MONO STATE OF CALIFORNIA

Regular Meetings: The First, Second, and Third Tuesday of each month. Location of meeting is specified just below.

MEETING LOCATION Board Chambers, 2nd Fl., County Courthouse, 278 Main St., Bridgeport, CA 93517

Regular Meeting November 13, 2018

TELECONFERENCE LOCATIONS:

Mammoth Lakes CAO Conference Room, 3rd Floor Sierra Center Mall, 452 Old Mammoth Road, Mammoth Lakes, California, 93546; and,
726 Ouray Ave, Grand Junction, Colorado, 81501

Board Members may participate from a teleconference location. Note: Members of the public may attend the open-session portion of the meeting from a teleconference location, and may address the board during any one of the opportunities provided on the agenda under Opportunity for the Public to Address the Board.

NOTE: In compliance with the Americans with Disabilities Act if you need special assistance to participate in this meeting, please contact Shannon Kendall, Clerk of the Board, at (760) 932-5533. Notification 48 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting (See 42 USCS 12132, 28CFR 35.130).

Full agenda packets are available for the public to review in the Office of the Clerk of the Board (Annex I - 74 North School Street, Bridgeport, CA 93517). Any writing distributed less than 72 hours prior to the meeting will be available for public inspection in the Office of the Clerk of the Board (Annex I - 74 North School Street, Bridgeport, CA 93517). **ON THE WEB:** You can view the upcoming agenda at <http://monocounty.ca.gov>. If you would like to receive an automatic copy of this agenda by email, please subscribe to the Board of Supervisors Agendas on our website at <http://monocounty.ca.gov/bos>.

UNLESS OTHERWISE SPECIFIED BY TIME, ITEMS SCHEDULED FOR EITHER THE MORNING OR AFTERNOON SESSIONS WILL BE HEARD ACCORDING TO AVAILABLE TIME AND PRESENCE OF INTERESTED PERSONS. PUBLIC MAY COMMENT ON AGENDA ITEMS AT THE TIME THE ITEM IS HEARD.

9:00 AM Call meeting to Order

Pledge of Allegiance

1. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

on items of public interest that are within the subject matter jurisdiction of the Board.
(Speakers may be limited in speaking time dependent upon the press of business)

and number of persons wishing to address the Board.)

2. RECOGNITIONS

A. California Clerk of the Board of Supervisors Week

Departments: Clerk of the Board

5 minutes

Consider approving a proclamation recognizing November 26 - 30, 2018 as California Clerk of the Board of Supervisors Week.

Recommended Action: Approve proclamation.

Fiscal Impact: None.

B. Mono County Annual Safety Award

Departments: Risk Management and Public Works

5 minutes

(Jay Sloane) - The Facilities Division of Public Works is receiving the 2018 Annual Mono County Safety Award, which recognizes the division for their culture of safety.

Recommended Action: Present the award to Facilities Staff.

Fiscal Impact: None. The award is sponsored by Trindel Insurance Fund.

3. COUNTY ADMINISTRATIVE OFFICE

CAO Report regarding Board Assignments

Receive brief oral report by County Administrative Officer (CAO) regarding work activities.

4. DEPARTMENT/COMMISSION REPORTS

5. CONSENT AGENDA

(All matters on the consent agenda are to be approved on one motion unless a board member requests separate action on a specific item.)

A. Trindel Insurance Fund Revised and Restated Joint Powers Agreement

Departments: Risk Management

(Jay Sloane) - Proposed revision to Joint Powers Agreement (JPA) establishing Trindel Insurance Fund related to insurance pooling layers and designating Del Norte County with special authority.

Recommended Action: Approve County entry into proposed Revised and Restated JPA Agreement.

Fiscal Impact: None.

B. Fire Department Additions to Digital 395 Service

Departments: Information Technology

On September 11, 2018 the Mono County Board of Supervisors authorized the County Administrative Officer to sign a new Service Agreement with California Broadband Cooperative for the purpose of delivering Digital 395 to the County. Since September, three separate fire districts (Long Valley, White Mountain, and Chalfant) have all asked to join the County's Digital 395 network and have the County provide service to them. This action requires an update to the Service Agreement – the dollar amount of which requires Board approval.

Recommended Action: Approve, and authorize the County Administrative Officer to sign, a modified Service Order with California Broadband Cooperative.

Fiscal Impact: \$102,240 per year which includes estimated taxes and is budgeted for in FY 2018-2019. This is comprised of \$4,500 for Fire Department circuits, \$57,120 for Mono County circuits, \$15,060 for Sheriff Department circuits, \$21,060 for Town of Mammoth Lakes circuits, and \$4,500 for Radio related circuits. Mono County IT will invoice each department/agency and be responsible for monthly payments to CBC under this Service Order.

C. Addendum to Agreement for Municipal Advisory Services

Departments: Finance, CAO, County Counsel

(Janet Dutcher) - Addendum to agreement for municipal financing advisory services between the County of Mono County and KNN Public Finance, LLC for a fixed transaction fee of \$85,000 and reimburseable expenses not exceeding \$5,000, for the Certificates of Participation Series 2018 A (Mono County Civic Center), contingent upon the successful pricing and closing of the transaction.

Recommended Action: Approve and authorize the County Administrative Officer to execute the addendum to the existing contract with KNN Public Finance, LLC.

Fiscal Impact: This addendum results in additional bond financing costs of up to \$90,000, payable from the financing proceeds; but is offset by the value associated with better utilization of County staff time and the acquisition of KNN's expertise in this specialized area of public finance, both of which cannot be quantified.

D. Bi-State Sage-Grouse Conservation Commitment Letter

Departments: CDD

(Wendy Sugimura) - Presentation regarding updating Mono County's Letter of Commitment to the Bi-State sage-grouse conservation effort.

Recommended Action: Approve, with any desired modifications, the attached letter from Mono County to the US. Fish and Wildlife Service affirming commitment

to the implementation of the Bi-State Action Plan, and authorize the Board Chair to sign. Provide any desired direction to staff.

Fiscal Impact: None at this time.

E. Approval of Revision of the Mono County Child Care Council Bylaws

Departments: MCCCC

The Mono County Child Care Council is recommending a change in the Council Bylaws to reflect changes in the mission statement, the Coordinator to a part-time position, the dates of the membership terms, information regarding meetings, the Executive Committee, and reimbursement forms.

Recommended Action: Approve proposed change to the Mono County Child Care Council Bylaws.

Fiscal Impact: None.

F. Adoption of Proposed Amendment to Mono County Code Section 12.10.021 Exemptions from Solid Waste Franchise Agreement

Departments: Public Works

Proposed ordinance amending Chapter 12.02, Section 12.02.020 and chapter 12.10, Section 12.10.021 of the Mono County Code to revise the definition of "Construction and Demolition Waste" and eliminate the provision exempting from the solid waste Franchise requirement persons that collect, transport, and dispose of construction and demolition waste.

Recommended Action: Adopt proposed ordinance ORD18-____, Amending Chapter 12.02, Section 12.02.020 and chapter 12.10, Section 12.10.021 of the Mono County Code to revise the definition of "Construction and Demolition Waste" and eliminate the provision exempting from the solid waste Franchise requirement persons that collect, transport, and dispose of construction and demolition waste.

Fiscal Impact: If the revision to the Mono County Code provisions relating to certain exemptions afforded to the collection, handling, and disposal of construction and demolition waste (C&D Waste) is approved, then there may be an increase in revenue to the Solid Waste Enterprise Fund from the payment of additional tipping fees and export fees by solid waste franchisees to the County.

6. CORRESPONDENCE RECEIVED - NONE

All items listed are located in the Office of the Clerk of the Board, and are available for review. Direction may be given to staff regarding, and/or the Board may discuss, any item of correspondence listed on the agenda.

7. REGULAR AGENDA - MORNING

A. Sale of County-Owned Real Property (APN 031-070-011)

Departments: Behavioral Health

1 hour

(Amanda Greenberg and Stacey Simon) - Consideration of proposals to purchase county-owned surplus real property located at 71 Davison Road in Mammoth Lakes (the "Property") in "as is" condition and in accordance with the Resolution of Intention to Sell the Property (R18-66) adopted by the Board on October 16, 2018.

Recommended Action:

Part I: (1) Open, examine and declare all proposals to purchase the Property; (2) From among the market-rate proposals received, determine the highest bid from a responsible bidder which conforms to the terms and conditions of R18-66; (3) Call for oral bids to purchase the Property at market rate which conform to the terms and conditions of R18-66 and are for a price which is at least 5 percent higher than the highest written proposal; (4) If a conforming oral bid is made, call for additional oral bids to purchase the property at market rate, which bids must be at least \$1,000 higher than the prior oral bid; and (5) Direct Clerk to record all conforming bids, in order from highest to lowest, in Exhibit "A" to the resolution presented for adoption today.

Part II: Market Rate Sale Option: Adopt proposed resolution accepting the highest written or oral bid to purchase the Property at market rate which is made by a responsible bidder and which conforms to the terms and conditions of Resolution R18-66, or the next-highest bid should the sale fail to close and so on until a sale is finalized, and authorizing the Chair's signature on California Association of Realtors purchase and sale agreement, escrow instructions, grant deed and such other documents as may be necessary to finalize the sale; or

Below-Market Sale for Affordable Housing Option: (1) Determine that it is in the County's best interests for the Property to be sold at less than fair-market-value for the purpose of providing housing affordable to persons or families of low or moderate income in accordance with the requirements of Government Code section 25539.4; (2) Reject all market-rate proposals to purchase the Property; (3) From among the proposals to develop the Property as affordable housing, identify the preferred proposal(s) and direct staff to return to the Board with such documentation as is necessary to effectuate the sale of the Property for deed-restricted affordable housing in compliance with section 25539.4.

Fiscal Impact: Of the total proceeds of the sale, 87 percent will return to Mono County Behavioral Health and 13 percent will return to the Mono County General Fund.

B. Southern California Edison's Emergency Shut Down Presentation

Departments: CAO

30 minutes (15 minute presentation; 15 minute discussion)

(Cal Rossi, SCE Government Relations Manager) - A presentation about Southern California Edison's Public Safety Power Shutoff Program, including Wildfire Mitigation, Safety, and Grid Resiliency efforts.

Recommended Action: Informational only.

Fiscal Impact: None.

C. Amendment of Allocation List to Convert Part-time FTS II to Full-time FTS II

Departments: Public Works

5 minutes

(Tony Dublino, Director of Public Works) - Request to change the County Allocation List to reflect the increase of a part-time FTS II position to a full-time FTS II position within the Department of Public Works

Recommended Action: Adopt Proposed Resolution 18-____, Authorizing the County Administrative Officer to Amend the County of Mono List of Allocated Positions to add 1/2 Fiscal Technical II Specialist position.

Fiscal Impact: The fiscal impact of the change for the remainder of FY 18/19 is \$15,608 Salary and \$16,738 Benefits. No budget amendment is necessary at this time as this amount is available through use of salary savings in other areas within the Public Works Department.

D. Hiring of a Maintenance Worker III at "E" Step

Departments: Public Works

5 minutes

(Tony Dublino, Director of Public Works) - Request for Board authorization to hire a Maintenance Worker III beyond an "A" Step

Recommended Action: Authorize the hiring of a Maintenance Worker III in the Benton Road District at an "E" Step.

Fiscal Impact: None. The requested action (Maintenance Worker III "E" Step) is a currently allocated and funded position within the Road Division Budget of Public Works.

E. Revised County Debt Policy

Departments: Finance

20 minutes (10 minute presentation, 10 minute discussion)

(Janet Dutcher) - Review revised County debt policy and recommended changes to comply with Senate Bill 1029, in anticipation of the County issuing debt to finance the Mono County Civic Center project.

Recommended Action: Adopt revised debt policy as recommended or revised.

Fiscal Impact: No fiscal impact directly resulting from this agenda item but a revised debt policy means the County complies with SB 1019 in anticipation of issuing debt.

8. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

on items of public interest that are within the subject matter jurisdiction of the Board. (Speakers may be limited in speaking time dependent upon the press of business and number of persons wishing to address the Board.)

9. CLOSED SESSION

A. Closed Session--Human Resources

CONFERENCE WITH LABOR NEGOTIATORS. Government Code Section 54957.6. Agency designated representative(s): Stacey Simon, Leslie Chapman, Dave Butters, Janet Dutcher, and Anne Larsen. Employee Organization(s): Mono County Sheriff's Officers Association (aka Deputy Sheriff's Association), Local 39--majority representative of Mono County Public Employees (MCPE) and Deputy Probation Officers Unit (DPOU), Mono County Paramedic Rescue Association (PARA), Mono County Public Safety Officers Association (PSO), and Mono County Sheriff Department's Management Association (SO Mgmt). Unrepresented employees: All.

B. Closed Session - Workers' Compensation

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. Subdivision (a) of Government Code section 54956.9. Name of case: Workers' compensation claim of John Rutkowski.

C. Closed Session - Exposure to Litigation

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. Number of potential cases: one.

THE AFTERNOON SESSION WILL BEGIN NO EARLIER THAN 1 P.M.

10. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

on items of public interest that are within the subject matter jurisdiction of the Board. (Speakers may be limited in speaking time dependent upon the press of business and number of persons wishing to address the Board.)

11. REGULAR AGENDA - AFTERNOON

A. Mono County Certificates of Participation 2018 Series A (Mono County Civic Center)

Departments: Finance, CAO, County Counsel

1 hour (20 minute presentation, 40 minute discussion)

(Janet Dutcher, Leslie Chapman, Stacey Simon) - Proposed resolution R18-____,

authorizing the execution of certain lease financing documents with respect to the issuance and sale of tax-exempt Certificates of Participation (COP) 2018 Series A in an aggregate amount not to exceed \$24 million to finance the construction of the Mono County Civic Center; authorizing distribution of an Official Statement, and authorizing execution of necessary documents, certificates and related actions.

Recommended Action: Adopt proposed resolution R18-____, Authorizing the execution of certain lease financing documents with respect to the issuance and sale of tax-exempt Certificates of Participation (COP) 2018 Series A in an aggregate amount not to exceed \$24 million to finance the construction of the Mono County Civic Center; authorizing distribution of an Official Statement; and authorizing execution of necessary documents and certificates and related actions.

Fiscal Impact: This transaction will deposit at least \$20.5 million of debt proceeds into the project fund, after deduction for the cost of issuance and capitalized interest. Average fiscal year debt service is estimated at \$1.3 million, beginning August 1, 2020 through August 1, 2048.

12. BOARD MEMBER REPORTS

The Board may, if time permits, take Board Reports at any time during the meeting and not at a specific time.

ADJOURN



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Clerk of the Board

TIME REQUIRED 5 minutes

SUBJECT California Clerk of the Board of
Supervisors Week

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Consider approving a proclamation recognizing November 26 - 30, 2018 as California Clerk of the Board of Supervisors Week.

RECOMMENDED ACTION:

Approve proclamation.

FISCAL IMPACT:

None.

CONTACT NAME: Scheereen Dedman

PHONE/EMAIL: x5538 / sdedman@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
<input type="checkbox"/> Letter to the Board Chair
<input type="checkbox"/> Proclamation

History

Time	Who	Approval
11/8/2018 6:47 AM	County Administrative Office	Yes
11/6/2018 10:49 AM	County Counsel	Yes

11/6/2018 3:25 PM

Finance

Yes



Jim Mitrison, President (El Dorado)
Rene LaRoche, Vice-President (Mariposa)
Andrew Potter, Secretary (San Diego)
Diane Severud, Treasurer (Calaveras)

330 Fair Lane
Placerville, CA 95667
Phone: (530)621-5592
jim.mitrison@edcgov.us

October 22, 2018

To: Honorable Chair of the Board of Supervisors

From: Jim Mitrison, President of the California Clerk of the Board of Supervisors Association

Subject: Proclamation recognizing *California Clerk of the Board of Supervisors Week*

Greetings Honorable Chair,

It is my distinct privilege to reach out to you today requesting your support of an agenda item for your Board's consideration to proclaim November 26 – 30, 2018 as *California Clerk of the Board of Supervisors Week*.

In California, the Clerk of the Board satisfies numerous statutory and locally mandated requirements and serves as the official record keeper of actions taken by each County's Board of Supervisors. I am confident you have come to recognize the broad scope of services each Clerk of the Board and their respective office provides with the highest integrity and respect for the public's business as we carry out the provisions of our role with a quiet, steadfast determination and always with great pride.

As you will find in the enclosed customizable Proclamation, our proud profession is a time honored and vital component of effective, transparent local governance. Please consider a Proclamation to recognize *California Clerk of the Board of Supervisors* week at a meeting of the Board on or before November 20, 2018 and we further ask that your Clerk transmit an electronic copy of the signed Proclamation to our organization for your county to be recognized as an official supporter of your Clerk and, by extension, Clerk's in all 58 California Counties.

On behalf of the California Clerk of the Board of Supervisors Association, I extend our collective gratitude for your service, and that of your colleagues, to your County and the great State of California.

With sincere thanks,

Jim Mitrison
President, California Clerk of the Board of Supervisors Association
County of El Dorado Clerk of the Board

**A PROCLAMATION OF THE MONO COUNTY BOARD OF SUPERVISORS
RECOGNIZING NOVEMBER 26 THROUGH NOVEMBER 30, 2018 AS
CALIFORNIA CLERK OF THE BOARD OF SUPERVISORS WEEK**

WHEREAS, California counties provide many services that are essential to the lives of Californians; and

WHEREAS, the position of the Clerk of the Board of Supervisors (Board) plays an integral role in the function of California County government; and

WHEREAS, the Clerk of the Board performs many legally mandated functions that protect and preserve the rights of the citizens to an open and accessible government; and

WHEREAS, the work performed by Clerks of the Board is a time honored and vital part of local government; and

WHEREAS, the Clerks duties of record keeping is revered, their work among the earliest recorded on behalf of the public, and Clerks have long pledged to maintain their neutrality and impartiality of the proceedings of government; and

WHEREAS, the California Clerk of the Board of Supervisors Association, an affiliate of the California State Association of Counties, is organized to promote the principles of good government, to represent the interests of Clerks of the Board with legislative bodies and other professional organizations, to encourage the development of professional growth and education, and to support the objectives of all regional groups established within the Association; and

WHEREAS, it is most appropriate that we recognize the accomplishments of Clerks of the Board across the 58 counties in the State of California.

NOW, THEREFORE, BE IT PROCLAIMED, that the Board of Supervisors of the County of Mono does herewith proclaim the week of November 26 through November 30, 2018 as "*California Clerk of the Board of Supervisors Week*" in recognition of the high level of services bestowed upon the people of Mono County and the people of California by Clerks of the Board.

APPROVED AND ADOPTED this 6th day of November 2018, by the Mono County Board of Supervisors.

Jennifer Halferty, Supervisor District #1

Fred Stump, Supervisor District #2

Bob Gardner, Supervisor District #3

John Peters, Supervisor District #4

Stacy Corless, Supervisor District #5



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Risk Management and Public Works

TIME REQUIRED 5 minutes

PERSONS APPEARING BEFORE THE BOARD Jay Sloane

SUBJECT Mono County Annual Safety Award

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

The Facilities Division of Public Works is receiving the 2018 Annual Mono County Safety Award, which recognizes the division for their culture of safety.

RECOMMENDED ACTION:

Present the award to Facilities Staff.

FISCAL IMPACT:

None. The award is sponsored by Trindel Insurance Fund.

CONTACT NAME: Jay Sloane

PHONE/EMAIL: 760-932-5405 / jsloane@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

<p>Click to download</p> <p> Staff Report Safety Award</p>
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History

Time	Who	Approval
11/8/2018 7:09 AM	County Administrative Office	Yes
11/8/2018 11:26 AM	County Counsel	Yes
11/7/2018 9:02 PM	Finance	Yes



COUNTY OF MONO

P.O. BOX 696, BRIDGEPORT, CALIFORNIA 93517
(760) 932-5410 • FAX (760) 932-5411

Leslie Chapman
County Administrative Officer

To: Board of Supervisors
From: Jay Sloane, Risk Manager
Date: 11/13/2018

Subject

Annual Mono County Safety Award Recognition to Facilities Division

Recommendation

Present Safety Award to Facilities Division. Congratulate staff for creating a culture of safety while performing hazardous work at a highly productive, yet safety conscious, level.

Discussion

The Facilities Division has demonstrated a consistent effort to reduce injuries and mitigate safety hazards related to both employee and public safety. The division has shown excellent leadership, teamwork, and communication regarding safety meetings, hazard reporting, and facility inspections.

Fiscal Impact

None. Trindel Insurance Fund has sponsored the plaque and gift card for an employee celebration.



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Risk Management

TIME REQUIRED

PERSONS APPEARING BEFORE THE BOARD Jay Sloane

SUBJECT Trindel Insurance Fund Revised and Restated Joint Powers Agreement

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Proposed revision to Joint Powers Agreement (JPA) establishing Trindel Insurance Fund related to insurance pooling layers and designating Del Norte County with special authority.

RECOMMENDED ACTION:

Approve County entry into proposed Revised and Restated JPA Agreement.

FISCAL IMPACT:

None.

CONTACT NAME:

PHONE/EMAIL: 760-932-5405 / jsloane@mono.ca.gov

SEND COPIES TO:

Jay Sloane

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
<input type="checkbox"/> Staff Report JPA Agreement
<input type="checkbox"/> JPA Agreement
<input type="checkbox"/> Signature Sheet

History

Time	Who	Approval
11/8/2018 6:17 AM	County Administrative Office	Yes

11/7/2018 10:53 AM

County Counsel

Yes

11/7/2018 9:04 PM

Finance

Yes



COUNTY OF MONO

P.O. BOX 696, BRIDGEPORT, CALIFORNIA 93517
(760) 932-5410 • FAX (760) 932-5411

Leslie Chapman
County Administrative Officer

To: Board of Supervisors
From: Jay Sloane, Risk Manager
Date: 11/13/2018

Subject

Trindel Insurance Fund Revised and Restated JPA Agreement

Recommendation

Sign revised agreement

Discussion

Mono County is a member of the Trindel Insurance Fund JPA. The JPA agreement attached has three revisions, which are highlighted in the agreement. Article IV, Section C clarifies that each member pays for its own losses within the first self-insured retention. After the self-insured retention is met, the insurance cost is paid out of other pooling and insurance policy structures within Trindel and CSAC-EIA. Article IV, Section D addresses the new Trindel workers' compensation pooling layer, which covers losses between the county self-insured retention and the EIA excess policy. The final paragraph under Article VI has the implications that if the JPA were to dissolve, and the Trindel Board cannot come to an agreement on how the dissolution of the JPA will take place, that Del Norte County has the power to make the decision regarding the dissolution.

Fiscal Impact

None

Attached

JPA Agreement

Trindel Insurance Fund

51 Arbuckle Court /PO Box 2069

Weaverville CA 96093

www.trindel.org

REVISED AND RESTATED JOINT POWERS AGREEMENT

Approved by the Board of Directors

May 18, 2018

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
I. DEFINITIONS	5
II. PARTIES TO AGREEMENT.....	6
III. CREATION OF THE TRINDEL INSURANCE FUND.....	6
IV. PURPOSES.....	7
V. TERM OF AGREEMENT.....	8
VI. POWERS OF TRINDEL	8
VII. BOARD OF DIRECTORS	9
VIII. POWERS OF THE BOARD OF DIRECTORS	9
IX. OFFICERS	11
X. EXECUTIVE COMMITTEE	11
XI. RESPONSIBILITIES OF MEMBER ENTITIES	12
XII. EXECUTIVE DIRECTOR	13
XIII. BUDGET AND FISCAL YEAR	14
XIV. ANNUAL FINANCIAL AUDITS	14
XV. ESTABLISHMENT AND ADMINISTRATION OF FUNDS.....	14
XVI. NEW MEMBERS.....	15
XVII. WITHDRAWAL	15
XVIII. REMOVAL	16
XIX. EFFECT OF WITHDRAWAL OR REMOVAL	17

<u>ARTICLE</u>	<u>PAGE</u>
XX. TERMINATION OF AGREEMENT	17
XXI. DISPUTE RESOLUTION	18
XXII. LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS AND LEGAL ADVISORS	19
XXIII. NOTICES	20
XXIV. PROHIBITION AGAINST ASSIGNMENT	20
XXV. AMENDMENTS	20
XXVI. SEVERABILITY	20
XXVII. AGREEMENT COMPLETE	21
XXVIII. FILING WITH SECRETARY OF STATE	21

TRINDEL INSURANCE FUND (TRINDEL)
JOINT POWERS AGREEMENT

THIS AGREEMENT is made in the State of California by and among those public entities organized and existing under the laws of the State of California, hereinafter referred to as “Member Entity(ies)”, which are parties signatory to this Agreement. All such Member Entities are listed in Exhibit A, which is attached herto and made a part hereof.

RECITALS

- A. California Government Code Section 6500 et seq, permits two or more public agencies, by agreement, to jointly exercise any power common to the contracting parties.
- B. The Public agencies executing this Agreement desire to join together for the purpose of jointly funding, purchasing and/or establishing insurance and risk management programs as determined.
- C. California Government Code Section 990.4 permits a local public entity to self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these.
- D. California Government Code Section 900.6 provides that the cost of insurance is a proper charge against that local entity.
- E. California Government Code Section 990.8 provides that two or more local entities, by a joint powers agreement, may provide insurance by any one or more of the methods specified in Government Code Section 990.4, and further provides that such pooling of self-insured claims or losses shall not be considered insurance nor be subject to regulation under the California Insurance Code.
- F. California Government Code Section 990.8 also provides that a joint powers agreement may provide that if any peril insured or covered under a contract has existed, and the joint powers authority or other parties participation in the pool have been liable for any period, the agreement may provide that the insured or covered party is not entitled to the return of premiums, contributions, payments or advances so far as the particular risk is insured or covered is concerned.
- G. Labor Code Section 3700[c] permits all political subdivisions of this State, including each member of a pooling arrangement, under a joint exercise of powers agreement, to request a certificate of consent from the Division of Industrial Relations to self-insure against workers compensation claims.

H. The governing body of each Member Entity has determined that it is in its own interest and in the public interest that this Agreement be executed and that it participate as a member of the Trindel Insurance Fund (Trindel) created by this Agreement.

Now, therefore, in consideration of the above facts and the mutual benefits, promises and agreements set forth below, the Member Entities hereby agree as follows:

ARTICLE I
DEFINITIONS

The following terms shall have the following definitions:

“Agreement” shall mean this Joint Powers Agreement Creating Trindel Insurance Fund (Trindel) and any amendment thereto.

“Board” or “Board of Directors” shall mean the governing body of Trindel.

“Bylaws” shall mean the Bylaws attached hereto as Exhibit B and incorporated herein by reference, and by such amendments to the Bylaws as may from time to time be adopted. Wherever in this Agreement Bylaws are referred to, said Bylaws shall be those set forth in Exhibit B, as may be amended. Each party to this Agreement agrees to comply with and be bound by the provisions of said Bylaws and further agrees that Trindel shall be operated pursuant to this Agreement and said Bylaws.

The procedure for amending the Bylaws shall be as provided in the Bylaws so long as the procedure is not inconsistent with this Agreement.

“Deposit Premium” shall mean the estimated amount determined for each Member Entity necessary to fund its share of expected costs for each Program in which it is a participant.

“Executive Committee” shall mean the Executive Committee of the Board of Directors, constituted and exercising the authority set forth in this Agreement and in the Bylaws.

“Executive Director” shall be the person appointed by the Board to administer and supervise Trindel’s activities subject to the direction and control of the Board of Directors and Executive Committee.

“Member Entity” or “Member” shall mean any California County which is a signatory to this Agreement, including any other agency for which the Board of Supervisors sits as the governing board.

“Memorandum of Coverage” shall mean the document or documents issued by Trindel specifying the type and amount of coverage’s provided under any Program to the Member Entities by Trindel.

“Program” shall mean an area of coverage, such as, but not limited to, liability, workers’ compensation, and property or other insurance programs or coverage which Trindel provides to its Member Entities.

“Special Assessment” shall mean any amounts in addition to Deposit Premiums already collected which are determined by the Board as necessary to pay the Program costs for a given Program year.

“Trindel” shall mean the Trindel Insurance Fund created by this Agreement.

ARTICLE II PARTIES TO AGREEMENT

Each Member Entity, as a party to this Agreement, certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, with such other parties as may later be added to this Agreement pursuant to Article XVI. Each Member Entity also certifies that the removal or withdrawal of any Member Entity from this Agreement, pursuant to Articles XVII and XVIII, shall not affect this Agreement or the remaining parties obligations under this Agreement. Should a conflict arise between the provisions of this Article and any applicable memorandum of Coverage or other document evidencing coverage, such memorandum of Coverage or other document evidencing coverage shall prevail.

ARTICLE III
CREATION OF THE TRINDEL INSURANCE FUND

Pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, the Member Entities hereby create a public entity, separate and apart from the parties to this Agreement, to be known as the Trindel Insurance Fund with such powers as are hereinafter set forth. Pursuant to Government Code Section 6508.1, the debt, liabilities or obligations of Trindel shall not constitute the debts, liabilities or obligations for any party to this Agreement. However, a Member Entity may separately contract for or assume responsibility for specific debts, liabilities or obligations of Trindel.

ARTICLE IV
PURPOSES

This Agreement is entered into by the Member Entities in order to:

- A. Create the Trindel Insurance Fund to carry out the purposes listed below and to jointly exercise the powers contained in this Agreement;
- B. Develop effective risk management and other related programs to reduce the amount and frequency of their losses;
- C. Create a loss funding method whereby over time each member pays for its own losses within the first self-insured retention;
- D. Create a risk sharing pool in order to garner assets and reduce risk to members;
- E. Jointly purchase commercial insurance, associate and /or participate with other insurance pools, or self-insure against risks;
- F. Jointly purchase administrative and other services including but not limited to underwriting, risk management consulting, loss prevention and control, claims adjusting, actuarial consulting, data processing, brokerage, accounting and legal services when related to any of the other purposes;
- G. Do all things necessary to carry out the foregoing purposes, as well as all things to implement the terms of the Agreement as permitted by law.

ARTICLE V

TERM OF AGREEMENT

This Agreement shall continue in full force and effect until terminated as provided herein.

ARTICLE VI

POWERS OF TRINDEL

Trindel shall have the powers common to its Member Entities in California and all additional powers as set forth in the joint powers law, Government Code Section 6500 et seq. The parties here by authorize Trindel to do all acts necessary in the exercise of such powers to fulfill the purposes of this Agreement, referred to in Article IV, including, but not limited to, the following:

- A. Make and enter into contracts;
- B. Incur debts, liabilities and obligations;
- C. Acquire, hold, lease, or dispose of real and personal property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and public agencies;
- D. Sue and be sued in its own name and settle any claim against it;
- E. Employ agents and employees;
- F. Acquire, construct, manage, maintain or operate any building, works or improvements;
- G. Receive, collect and disburse monies; and invest its money not required for its immediate necessities, pursuant to Government Code Section 6509.5; and
- H. Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement.

These powers shall be exercised in the manner provided by applicable law and as set forth in this Agreement. Such power is subject to the restrictions upon the manner of exercising the power of one of the contracting parties, Del Norte County shall be designated by the agreement.

ARTICLE VII

BOARD OF DIRECTORS

Trindel shall be governed by a Board of Directors composed of one member from each Member Entity. Each Member Entity shall appoint one member and one alternate to the Board of Directors who shall be either a member of the Board of Supervisors, a department head, or a staff member responsible for risk management.

If a director or alternate ceases to be an employee or elected official of a Member Entity, for any reason, his or her position on the Board and any of its committees shall immediately terminate.

ARTICLE VIII

POWERS OF THE BOARD OF DIRECTORS

The Board of Director shall have the following powers and functions:

- A. The Board shall exercise all powers and conduct business of Trindel, either directly or by delegation of authority to other bodies or persons, pursuant to this Agreement and applicable law.
- B. The Board may adopt such resolutions and other policy statements as deemed necessary in the exercise of those powers and duties set forth herein.
- C. The board shall form an Executive Committee from its membership.
The board shall delegate to that Committee, as provided in the Bylaws, such powers and duties as it sees fit.
- D. The Board may form such other committees as it deems appropriate in conducting Trindel business.
- E. The Board shall elect Trindel officers and appoint or employ necessary staff.
- F. The Board shall cause to be prepared, and shall review, modify as necessary and adopt Trindel's annual operating budget.

- G. The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each of Trindel's programs, including all provisions for reinsurance and administrative services necessary to carry out such program.
- H. The Board shall contract or otherwise provide for necessary services to Trindel and to Member Entities. These necessary services may include, but shall not be limited to, administrative, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.
- I. The Board, either directly or through the Executive committee, shall provide general supervision and policy direction to the Executive Director.
- J. The Board shall receive and act upon reports of its committees and the Executive Director either directly or through the Executive Committee.
- K. The Board shall establish monetary limits upon any delegation of the claims payment and settlement authority, beyond which a proposed settlement must be referred to the Board for approval.
- L. The Board shall require that Trindel review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any Member Entity insofar as those functions affect Trindel's liability or potential liability. The Board shall forward any or all such recommendation(s) to the Member Entity and the Board of Supervisors with a request for compliance and a statement of potential consequences for noncompliance.
- M. The Board shall receive, review and act upon periodic reports and audits of Trindel's funds.
- N. The Board shall appoint the Executive Director to serve at the Board's pleasure.
- O. The Board may amend, repeal or adopt new Bylaws.
- P. The Board may increase, decrease, or otherwise amend coverages, limits and other terms of any Memorandum of Coverage.
- Q. No Special Assessment proposed by the Executive Committee shall be billed unless first approved by the Board.

- R. The Board shall review and act upon applications for membership and shall determine which programs such applicants may participate in and when such participation begins.
- S. The Board may remove a Member Entity from any Program or from membership in Trindel pursuant to Article XVIII of this Agreement.
- T. The Board may ratify actions of the Executive Committee, where such ratification is required before the action becomes final.
- U. The Board may enter into a joint venture or contractual agreement with any similar entity and may also enter into a merger or acquisition agreement with a similar entity, provided that if Trindel is not the surviving entity in any such merger or acquisition, such action shall require approval by the vote of three-fourths of the Member Entities.
- V. The Board shall have such other powers and functions as are provided for in the Agreement, the Bylaws, applicable law and which are otherwise reasonably necessary to carry out the purposes of this Agreement.
- W. The Board shall hold at least one regular meeting each year and shall provide for such other regular and special meeting as it deems necessary as provided in the Bylaws.

ARTICLE IX OFFICERS

The officers of Trindel shall be the President, Vice-President, and Secretary. Their qualifications and duties shall be those set forth in the Bylaws.

ARTICLE X
EXECUTIVE COMMITTEE

The Board shall create an Executive Committee, all of whose members shall be directors. The Executive Committee shall be composed of four (4) members: the President, Vice-President, and two members from the Board. The Executive Director of Trindel shall attend meetings of the Executive Committee and shall serve as its Secretary but shall have no vote.

The authority of the Executive Committee and provisions for its meetings shall be as provided in the Bylaws.

ARTICLE XI
RESPONSIBILITIES OF MEMBER ENTITIES

Each Member Entity shall comply with and have the following responsibilities:

- A. Execute this Agreement and participate in Trindel's liability, Property and Workers' Compensation Programs and any other programs as determined by the Board;
- B. To pay Deposit Premiums, and any Special Assessments to Trindel on or before the due date;
- C. To appoint, elect or remove representatives to serve as director and alternate on the Board as set forth in Article VII and the Bylaws, whose representatives shall act on behalf of the Member Entity on all matters coming before the Board;
- D. To assure that its Board Member or alternate attends regular and special Board meetings held during each fiscal year;
- E. To assure that its Board Member and alternate keep informed about Trindel's activities and to assist them in doing so;
- F. To approve amendments to this Agreement as set forth herein;
- G. To comply with all other Member Entity responsibilities as set forth in the Bylaws;

- H. Submit to and cooperate with Trindel during any risk management and loss control audits required by the Executive Committee;
- I. Respond within the timelines as specified in the Bylaws or as required by the Board to any recommendations for corrective action resulting from risk management and loss control audits.
- J. Appoint an officer or employee of the Member Entity to be responsible for the risk management function for that Member Entity and to serve as a liaison between the Member Entity and Trindel for all matters relating to risk management;
- K. Shall consider and respond to all recommendations of Trindel concerning the reduction of risk;
- L. Provide Trindel such other information or assistance as may be necessary for Trindel to develop and implement insurance and other programs under this Agreement;
- M. Cooperate with and assist Trindel, and any insurer of Trindel or the Member Entity, in all matters relating to this Agreement, and shall comply with all Bylaws and other rules adopted by the Board;
- N. Other responsibilities as are provided elsewhere in this Agreement, MOU(s) and Bylaws and as are established by the Board in order to carry out the purposes of this Agreement.

ARTICLE XII

EXECUTIVE DIRECTOR

The Executive Director shall serve as Treasurer and attend meetings of the Board, the Executive Committee and other committees of the Board, but shall have no vote. He or she shall be responsible for the preparation and maintenance of all minutes of meetings of the Board and its Committees, notices of meetings and records of Trindel. The Executive Director shall also administer and supervise Trindel's business and activities, subject to the direction and supervision by the Board and the Executive Committee, and shall be responsible for carrying out the duties set forth in the Agreement, Bylaws contract or otherwise.

ARTICLE XIII
BUDGET AND FISCAL YEAR

The Board shall adopt an annual budget prior to the beginning of each Fiscal Year. Trindel's fiscal year shall be the twelve months commencing July 1 of each year.

ARTICLE XIV
ANNUAL FINANCIAL AUDITS

The Treasurer shall cause an annual financial audit of the accounts and records to be prepared by a Certified Public Accountant in compliance with California Government Code Sections 6505 and 6505.6 with respect to all receipts, disbursements, other transactions and entries into the books of Trindel. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to general accepted accounting standards. A report of each such audit shall be filed as a public record with the Board of each of the Member Entities, and each county auditor or the county in which each of the Member Entities is located. The report shall be filed within twelve (12) months of the end of the fiscal year under examination. Trindel shall pay all costs for such financial audits.

ARTICLE XV
ESTABLISHMENT AND ADMINISTRATION OF FUNDS

Trindel shall be responsible for the strict accountability of all funds and the reporting of all receipts and disbursements in accordance with generally accepted accounting principles. It will comply with all provisions of law relating to this subject, including California Government Code Section 6505, 6505.1, 6505.5, or 6505.6.

The Treasurer of Trindel shall establish and maintain such funds and accounts as may be required by good accounting practices. Separate accounts shall be established and maintained for each Program of Trindel. Books and records of Trindel in the hands of the Treasurer or other designated person shall be open to inspection at all reasonable times by members of the Board or authorized representatives of the Member Entities.

The Treasurer shall have the custody of and disburse Trindel funds and shall do those acts as are required pursuant to Government Code Section 6505.5 He or she may delegate disbursing authority to such persons as may be authorized by the Board to perform that function. Pursuant to Government Code Section 6505.1, the Treasurer and such other persons as the Board may designate shall have charge of, handle, and have access to Trindel's property.

Trindel shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board covering all officers and employees of Trindel who are authorized to hold or disburse Trindel's funds, and all officers and employees who are authorized to have charge of, handle, and have access to Trindel's property.

ARTICLE XVI

NEW MEMBERS

Any California County may apply for membership in Trindel. Approval requires the unanimous consent of the existing Member Entities, expressed by vote at a formal meeting or by written consent filed with Trindel. A new membership will become effective upon the execution of this Agreement.

ARTICLE XVII
WITHDRAWAL

Any Member Entity may withdraw from this agreement at the end of any fiscal year by giving notice in writing to the Board of Directors on or before March 1 preceding the fiscal year end.

- A. Any member which withdrawal shall remain responsible to pay to Trindel any premium charge or Special Assessment which Trindel may lawfully make under its policies and practices pursuant to this agreement and any other agreement with the withdrawing member, and the account between such member and Trindel shall remain open until losses and claims attributable to the withdrawing member have been settled or until appropriate reserves have been made to provide for such losses. Any refunds due to the withdrawing Member shall only be paid by Trindel upon determination and approval by the Board of Directors.
- B. A member exercising the unilateral right of withdrawal under this paragraph shall not be entitled to a division or distribution of any property acquired by Trindel as a result of its operations under this agreement, but Trindel in its discretion may enter into an agreement to pay upon a present or deferred basis any sum of money agreed upon between the withdrawing member and the Board of Directors of Trindel as consideration for the waiver of and release of any claim which with withdrawing member might make in the nature of a right to a share in the future in the property and assets of Trindel.
- C. Trindel shall maintain in its books of account a record of the contributions made by the withdrawing member to the acquisition of funds or assets in proportion to the contributions made by the other members, for the purpose of determining the division or distribution to which the withdrawing member may be entitled in the event of the termination of the Fund in its entirety and the distribution of its assets upon dissolution.

ARTICLE XVIII

REMOVAL

A Member Entity may be removed from Trindel or a Program either with or without cause. The Executive Director shall review any lack of satisfactory performance or other problem with the Member Entity and shall attempt to resolve the matter. If the Executive Director determines that the Member Entity is unwilling or unable to correct the problem, the Executive Director shall present the matter to the Executive Committee. The Executive Committee may recommend to the Board that the Member Entity be removed, either for the cause or without cause. Action by the Board shall require a vote of three-fourths of the total number of directors.

Removal of a Member Entity shall be in accordance with provisions in the Bylaws.

ARTICLE XIX

EFFECT OF WITHDRAWAL OR REMOVAL

ON MEMBER ENTITY'S RESPONSIBILITIES

The withdrawal or removal of any Member Entity shall not terminate its responsibility with respect to the following:

- A. Provide Trindel with such statistical and loss experience data and other information as may be necessary for Trindel to carry out the purposes of this Agreement;
- B. Pay to Trindel when due any Deposit Premiums or Special Assessments for each Program in which it participated;
- C. Cooperate fully with Trindel in determining the cause of losses in the settlement of claims;

- D. Cooperate with and assist Trindel and any insurer, claims adjuster, legal counsel or other service provider engaged or retained by Trindel in all matters relating to this Agreement; and
- E. Comply with the Bylaws, and all policies and procedures of Trindel not inconsistent with the provisions of this Agreement and not inconsistent with its withdrawal or removal from Trindel.

ARTICLE XX
TERMINATION OF AGREEMENT AND DISTRIBUTION OF ASSETS

This Agreement shall continue in full force and effect until terminated.

Termination of this Agreement shall also constitute the termination of all Programs.

- A. This Agreement may be terminated at any time by the vote of three-fourths of the Member Entities acting through their governing bodies; provided, however, that this Agreement and Trindel shall continue to exist for the purpose of disposing of all claims, the distribution of assets, and performing any other functions necessary to conclude the affairs of Trindel.
- B. Upon termination of this Agreement, all net assets of each Program of Trindel shall be distributed among the existing Member Entities. Distributions shall be determined within six (6) months after the disposal of the last pending claim or other liability covered by each Program.
- C. Following the termination of this Agreement, any Member Entity which was a participant in any Program of Trindel shall pay any additional amount of premium, determined by the Board of its designee in accordance with a Special Assessment formula, which may be necessary to enable final disposition of all claims arising from losses under that Program during the Member Entity's period of participation.
- D. The Board is vested with all powers of Trindel for the purpose of concluding and dissolving the business affairs of Trindel. The Board may designate legal counsel and any committee or person to carry out a plan of dissolution adopted by the Board.

ARTICLE XXI

DISPUTE RESOLUTION

When a dispute arises between Trindel and a Member Entity, the following procedure is to be followed.

- A. Request for Reconsideration. The Member Entity will make a written request to Trindel or any appropriate Committee to reconsider its positions, citing the arguments in favor of the Member Entity and any applicable case law that applies. The Member Entity can also, request a personal presentation to that Committee, if it so desires.
- B. If after reconsideration the dispute remains unresolved, the Member Entity may pursue any other legal remedies available to it, including but not limited to, mediation, arbitration or by filing an action in Superior Court.

ARTICLE XXII

LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committee of Trindel shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgement or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Trindel funds, or failure to invest.

No Director, Officer, committee member or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any Director, Officer, committee member or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of Trindel shall be used to defend, indemnify and hold harmless Trindel and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of Trindel. Nothing herin shall limit the right of Trindel to purchase insurance to provide such coverage as is herin above set forth.

ARTICLE XXIII

NOTICES

Notices to Member Entities under this Agreement, or the Bylaws shall be sufficient if mailed to their respective addresses on file with Trindel. Notices to Trindel shall be sufficient if mailed to the address of the principal office of Trindel, addressed to the Executive Director.

ARTICLE XXIV

PROHIBITION AGAINST ASSIGNMENT

No Member Entity may assign any right, claim, or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member Entity shall have any right, claim or title to any part, share, interest, fund, premium or asset of Trindel, without unanimous approval of the Board.

ARTICLE XXV

AMENDMENTS AND EFFECTIVE DATE

This Agreement may be amended by a two-thirds vote of the Member Entities acting through their Board of Supervisors. Upon receipt of the vote of two-thirds of the Member Entities amending this Agreement, such amendment shall become effective immediately, unless otherwise stated therein. As of the effective date of any amendment, such amended Agreement shall replace and supersede the Joint Powers Agreement Creating Trindel Insurance Fund, executed April 28, 1980, and as subsequently amended.

ARTICLE XXVI
SEVERABILITY

Should any portion, term, condition or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

ARTICLE XXVII
AGREEMENT COMPLETE

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in writing herein, except as noted with respect to the Bylaws and Memorandum of Coverage. If any provision of this Agreement conflicts with a provision of the Bylaws, a Memorandum of Coverage or other document, such conflicting provisions shall be interpreted to avoid any such conflict, but this Agreement shall govern.

ARTICLE XXVIII
FILING WITH SECRETARY OF STATE

A notice of this Agreement and any amendments thereto shall be prepared and filed with the California Secretary of State within thirty (30) days of the effective date of this Agreement or any amendment. The notice shall contain the name of each public agency which is a party to the Agreement, the date upon which the Agreement became effective, a statement of purpose of the Agreement or the power to be exercised, and a description of the amendment or amendments made to the Agreement, if any.

IN WITNESS WHEREOF, the parties have executed this Agreement to take effect on the

_____ day of _____, 2018.

COUNTY OF ALPINE

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF COLUSA

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF DEL NORTE

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF LASSEN

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF MODOC

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF MONO

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

IN WITNESS WHEREOF, the parties have executed this Agreement to take effect on the

_____ day of _____, 2018.

COUNTY OF PLUMAS

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF SAN BENITO

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF SIERRA

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF SUTTER

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors

COUNTY OF TRINITY

By _____
Chairman
Board of Supervisors

ATTEST:

By _____
Clerk of the Board
Of Supervisors



OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Information Technology

TIME REQUIRED

SUBJECT Fire Department Additions to Digital
395 Service

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

On September 11, 2018 the Mono County Board of Supervisors authorized the County Administrative Officer to sign a new Service Agreement with California Broadband Cooperative for the purpose of delivering Digital 395 to the County. Since September, three separate fire districts (Long Valley, White Mountain, and Chalfant) have all asked to join the County's Digital 395 network and have the County provide service to them. This action requires an update to the Service Agreement – the dollar amount of which requires Board approval.

RECOMMENDED ACTION:

Approve, and authorize the County Administrative Officer to sign, a modified Service Order with California Broadband Cooperative.

FISCAL IMPACT:

\$102,240 per year which includes estimated taxes and is budgeted for in FY 2018-2019. This is comprised of \$4,500 for Fire Department circuits, \$57,120 for Mono County circuits, \$15,060 for Sheriff Department circuits, \$21,060 for Town of Mammoth Lakes circuits, and \$4,500 for Radio related circuits. Mono County IT will invoice each department/agency and be responsible for monthly payments to CBC under this Service Order.

CONTACT NAME: Nate Greenberg

PHONE/EMAIL: (760) 924-1819 / ngreenberg@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download

[Staff Report](#)

[Service Order](#)

History

Time	Who	Approval
11/8/2018 6:55 AM	County Administrative Office	Yes
11/8/2018 2:46 PM	County Counsel	Yes
11/8/2018 6:14 AM	Finance	Yes



**INFORMATION TECHNOLOGY
COUNTY OF MONO**

PO Box 7657 | 437 OLD MAMMOTH ROAD, STE. 228 MAMMOTH LAKES, CA 93546
(760) 924-1819 • FAX (760) 924-1697 • ngreenberg@mono.ca.gov

Nate Greenberg
Information Technology Director

November 13, 2018

To Honorable Board of Supervisors
From Nate Greenberg, Information Technology Director
Subject Addition of Long Valley, Chalfant, and White Mountain Fire Departments to Mono County's Digital 395 Service Agreement

Recommendation

Authorize the County Administrative Officer to sign and execute a modified Service Order with California Broadband Cooperative.

Discussion

On September 11, 2018 the Mono County Board of Supervisors authorized the County Administrative Officer to sign a new Service Agreement with California Broadband Cooperative for the purpose of delivering Digital 395 to us.

The primary objective of this new agreement was to consolidate the three separate County, Town, and Sheriff networks into one and have Mono County serve as the 'provider' back to the Sheriff and Town of Mammoth Lakes. Doing so will allow us to pool our current spend on these services and leverage some economies of scale to increase speeds to all facilities, streamline network design, and ultimately provide additional services.

Since September, three separate fire districts (Long Valley, White Mountain, and Chalfant) have all asked to join the County's Digital 395 network and have us provide service to them. This action requires an update to the Service Agreement – the dollar amount of which requires Board approval.

Fiscal Impact

\$102,240 per year which includes estimated taxes and is budgeted for in FY 2018-2019. This is comprised of \$4,500 for Fire Department circuits, \$57,120 for Mono County circuits, \$15,060 for Sheriff Department circuits, \$21,060 for Town of Mammoth Lakes circuits, and \$4,500 for Radio related circuits. Mono County IT will invoice each department/agency and be responsible for monthly payments to CBC under this Service Order.

Strategic Plan Alignment

Mono County Strategic Priorities

- 1A Improve Emergency Operations & Response
- 1E Infrastructure
- 3D Fiscal Resiliency

IT Strategic Initiatives

- I. Business Operations and Efficiency
- II. Communications, Broadband, and Accessibility
- III. Infrastructure Resiliency and Security



October 29, 2018

To:

County of Mono
25 Bryant St.
Bridgeport, Ca. 93517
USA

Dear Nate Greengerg ,

Thank you for allowing CBC to meet with you, and to discuss the products and services that CBC will provide to County of Mono.

The products and services listed below is our understanding of the needs of your business, and the previously agreed upon pricing.

I'm sending you this quote regarding "County of Mono_2018_Reconfig_Add-On_Fire Sta". Please get back to me with your decision soon.

Sincerely,
Cliff Beddingfield

Quote Information

Please find your quote details below:

Quote ID: QUO-01747-L1M6S5

Quote Discount percentage:

Quote Discount Amount:

Total MRC: \$300.00

Total NRC: \$00.00

Billing Address:
 25 Bryant Street
 Bridgeport CA 93517

Term Length:
 5 Years

Products and Services

Product Name	Price Per Unit	Quantity	MRC	NRC
ELAN White Mtn. Fire Benton	\$4.00	25Mb	\$100.00	No
Site A: White Mtn. Fire Benton - 25470 Highway 6 Benton CA 93512				
Site B: MINARET MALL 437 OLD MAMMOTH RD. MAMMOTH LAKES CA 93645				
<i>INCREASE FROM 10Mb ELAN</i>		<i>ELAN-10059</i>		
ELAN Chalfant Fire	\$4.00	25Mb	\$100.00	No
Site A: Chalfant Fire - 215 Valley Road, Bishop CA 93514				
Site B: Sierra Mall 452 Old Mammoth Rd. Mammoth Lakes, CA				
<i>INCREASE FROM 10Mb ELAN</i>		<i>ELAN-10058</i>		
ELAN Long Valley Fire	\$4.00	25Mb	\$100.00	No
Site A: Long Valley Fire - 3605 Crowley Lake Dr. Crowley Lake CA 93546				
Site B: MINARET MALL 437 OLD MAMMOTH RD. MAMMOTH LAKES CA 93645				
<i>INCREASE FROM 10Mb ELAN</i>		<i>ELAN-10053</i>		

CBC agrees to provide and the Customer agrees to accept services described above the service commitment period and charges listed above, subject to the terms and conditions in the CBC Master Service Agreement. This quote is valid for the next 30 days.

Customer Signature	CBC Signature
Printed Name	Printed Name
Title & Date	Title & Date



OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Finance, CAO, County Counsel

TIME REQUIRED

PERSONS APPEARING BEFORE THE BOARD Janet Dutcher

SUBJECT Addendum to Agreement for Municipal Advisory Services

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Addendum to agreement for municipal financing advisory services between the County of Mono County and KNN Public Finance, LLC for a fixed transaction fee of \$85,000 and reimburseable expenses not exceeding \$5,000, for the Certificates of Participation Series 2018 A (Mono County Civic Center), contingent upon the successful pricing and closing of the transaction.

RECOMMENDED ACTION:

Approve and authorize the County Administrative Officer to execute the addendum to the existing contract with KNN Public Finance, LLC.

FISCAL IMPACT:

This addendum results in additional bond financing costs of up to \$90,000, payable from the financing proceeds; but is offset by the value associated with better utilization of County staff time and the acquisition of KNN's expertise in this specialized area of public finance, both of which cannot be quantified.

CONTACT NAME: Janet Dutcher

PHONE/EMAIL: 760-932-5494 / jdutcher@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download

- [Staff report](#)
- [Addendum to Municipal Advisory Services Contract](#)
- [Original Agreement for Municipal Advisory Services](#)

History

Time	Who	Approval
11/8/2018 7:03 AM	County Administrative Office	Yes
11/8/2018 9:08 AM	County Counsel	Yes
11/8/2018 3:16 PM	Finance	Yes



DEPARTMENT OF FINANCE

COUNTY OF MONO

Gerald A. Frank
Assistant Finance Director
Treasurer-Tax Collector

Janet Dutcher, CPA, CGFM
Finance Director

Stephanie Butters
Assistant Finance Director
Auditor-Controller

P.O. Box 495
Bridgeport, California 93517
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Date: November 13, 2018

To: Honorable Board of Supervisors

From: Janet Dutcher, Finance Director

Subject: Addendum to agreement with KNN Municipal Services

Recommended Action

Approve and authorize the County Administrative Officer to execute the addendum to the existing contract with KNN Public Finance, LLC.

Strategic Plan Focus Area(s) Met

Economic Base Infrastructure Public Safety
 Environmental Sustainability Mono Best Place to Work

Fiscal Impact

Additional bond financing costs of up to \$90,000, payable from the financing proceeds; offset by the value associated with better utilization of County staff time and the acquisition of KNN's expertise in this specialized area of public finance, both of which cannot be quantified.

Discussion

On August 16, 2018, the County entered into an agreement with KNN Public Finance, LLC. for pre-transaction and on-call advisory services related to the County's preparation for and decision making regarding the issuance of Certificates of Participation to finance the construction of a Mono County Civic Center in Mammoth Lakes.

That agreement contemplated that the County would require additional services from KNN if the County determined to issue the debt. This addendum authorizes KNN to provide those additional services for a fixed transaction fee of \$85,000 and reimbursable expenses not exceeding \$5,000, related to the County's issuance of Certificates of Participation Series 2018 A (Mono County Civic Center), contingent upon the successful pricing and closing of the transaction.

If you have any questions on this matter prior to your meeting, please call me at 932-5494.

ADDENDUM TO AGREEMENT
FOR MUNICIPAL FINANCING CONSULTANT'S SERVICES BETWEEN
THE COUNTY OF MONO AND KNN PUBLIC FINANCE, LLC

THIS ADDENDUM (the "Addendum") is made as of the September 6, 2018, by and between the County of Mono (the "COUNTY"), and KNN Public Finance, LLC, with its principal place of business located at 1300 Clay Street, Suite 1000, Oakland, California 94612 (the "CONSULTANT").

RECITALS

WHEREAS, COUNTY and CONSULTANT have entered into an Agreement for Municipal Advisory Services dated August 16, 2018, under which CONSULTANT provides the COUNTY with general municipal advisory services; and

WHEREAS, the COUNTY requires municipal advisory transaction services with respect to the Mono County Certificates of Participation Series 2018 A (Mono County Civic Center), (the "2018 CO Ps"); and

WHEREAS, CONSULTANT is well qualified to provide municipal advisory services to the COUNTY;
and

WHEREAS, the COUNTY desires to retain the professional services of the CONSULTANT to act as the COUNTY's municipal advisor for the 2018 CO Ps.

ADDENDUM

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

A. SERVICES TO BE PROVIDED BY THE CONSULTANT. CONSULTANT shall perform the duties and services specifically set forth in Attachment A hereto for the COUNTY'S 2018 CO Ps.

B. SERVICES TO BE PROVIDED BY THE COUNTY. The COUNTY agrees to provide all information reasonably requested by CONSULTANT and agrees to cooperate in a timely manner with CONSULTANT in connection with the services provided hereunder.

C. EFFECTIVE DATE AND TERM. This Addendum shall be effective on the date first written above and shall be for the same term as the Agreement for Municipal Advisory Services.

D. COMPENSATION.

1. Transaction Fees. For the COUNTY'S Refunding, The COUNTY shall pay to

CONSULTANT a transaction services fee of eighty-five thousand dollars (\$85,000.00). Payment of the transaction fee is contingent on the sale and closing of the 2018 CO Ps. See KNN 's M SRB G -42 disclosure in the Agreement for Municipal Advisory Services for disclosure regarding contingent compensation.

2. Expenses. Unless otherwise provided, CONSULTANT shall be reimbursed by the COUNTY for expenses incurred by CONSULTANT in performing its services under this Addendum, in an amount not to exceed five thousand dollars (\$5,000.00). Reimbursable expenses shall include, but are not limited to, the following:

- a. Courier and delivery services; postage; laser, color, photographic or offset printing and reproduction costs; use of company materials and supplies; document production, copying and binding; facsimile transmission; conference calls; online posting and distribution of the PO S; data information (fees for data information services such as TM 3 and Bloomberg); statistical data from outside sources; and data processing.
- b. Travel costs, including meals, the use of personal automobiles, rental vehicles, lodging, and air travel.
- c. Other reasonable expenses directly related to the satisfactory performance of requested work.

Compensation to CONSULTANT does not include bond counsel fees and expenses, disclosure counsel fees and expenses, rating fees, insurance premiums, trustee charges, title reports, underwriting/placement agent fees and other costs incurred in connection with the COUNTY 's 2018 CO Ps, which shall be paid by the COUNTY.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective authorized officers as of the day and year first above written. Signed and certified that a copy of the Addendum has been delivered to the Chairman of the Board of Supervisors of Mono County, California.

APPROVED AS TO FORM :
Office of County Counsel

COUNTY OF MONO, CALIFORNIA

By: _____

By: _____

Date: _____

Date: _____

KNN Public Finance, LLC

By: _____
David Leifer, Senior Managing Director

Date: _____

ATTACHMENT A

MUNICIPAL ADVISOR SCOPE OF SERVICES

- Assist County in selection of financing team members (i.e., bond and disclosure counsel, underwriter, trustee, etc.), as necessary.
- Prepare a financing schedule and distribution list and coordinate activities of financing team members and representatives of the County.
- Analyze bond structures (independent from the underwriter) that will be most attractive to bond market participants and will result in the best bond pricing for the County.
- Prepare debt service analysis under alternative market, term and structure scenarios.
- Provide County staff with training and/or regular updates on key issues relating to the proposed bond structure.
- Assist in review of all financing and legal documents.
- Develop rating agency strategy and approach. Prepare rating agency presentation and accompany County staff to rating agency meetings.
- Assist County in presenting the financing to the Board of Supervisors, as requested.
- Monitor tax-exempt (and taxable, if required) municipal bond market conditions; make recommendations regarding timing of pricing.
- Evaluate potential cost effectiveness of credit enhancement.
- For a negotiated sale, review fees proposed by underwriter(s) to ensure consistency with market comparables and make recommendations about composition of underwriting syndicate as well as syndicate policies (i.e., liabilities, retentions, etc.) to ensure the proper incentives are structured to result in the lowest cost of funds for the County.
- For a negotiated sale, provide pricing oversight to ensure a transparent process and the best result for the County, including the following activities:
 - analysis of relevant/recent pricing comparables;
 - outreach to non-manager underwriter desks to ensure proposed pricing is consistent with market environment;
 - evaluation of secondary market trades, if helpful;
 - negotiation with the senior underwriter to ensure that final pricing yields are consistent with demand for bonds.
- Assist the County and the financing team in arranging for the execution of financing documents and in the closing of the financing.
- Review and provide updates to the County's debt policy to ensure compliance with SB 1029 prior to issuance and County official duties.
- Prepare a post-sale closing memorandum.
- Provide advice about post-issuance compliance requirements (i.e., arbitrage rebate, continuing disclosure, reporting to State Treasurer's Office, etc.).

**Agreement for
Municipal Advisory Services**

THIS AGREEMENT, is being entered into as of the 16 day of August, 2018 by and between COUNTY OF MONO, hereinafter "County" and KNN PUBLIC FINANCE, a California Limited Liability Company, hereinafter "KNN".

WITNESSETH

WHEREAS, the County desires to receive professional financial advice from an independent Municipal Advisor; and

WHEREAS, KNN is specially trained, experienced, and competent to perform such services and desires to provide such advice and service to the County; and

WHEREAS, KNN is an independent Municipal Advisory firm, registered as such with both the Securities Exchange Commission and with the Municipal Securities Rulemaking Board ("MSRB"); and

WHEREAS, the County desires general "On-Call" and Pre-Transaction Municipal Advisory Services as well as transaction services for a variety of potential projects or financings;

NOW, THEREFORE, the County and KNN agree as follows:

1. KNN acknowledges that, under this Agreement, it has a fiduciary duty to the County and agrees to act in the County's best interests and must provide both a Duty of Care and a Duty of Loyalty.
2. KNN agrees to provide general "On-Call" Municipal Advisory Services as specified in the Scope of Services detailed in **Exhibit A** of this Agreement, as needed.
3. KNN agrees to provide Transaction Services as specified in the Scope of Services detailed in **Exhibit B** of this Agreement, as needed.
4. KNN hereby confirms that it is registered as a Municipal Advisor with the Securities Exchange Commission and MSRB. KNN is not a broker dealer and does not provide underwriting services under any circumstance.
5. The County agrees that in consideration for the foregoing services to be performed by KNN, the County will do the following:
 - (a) The County will cooperate with KNN and will provide all information which is reasonably required to enable KNN to fulfill its duties to the County.
 - (b) The County will pass such ordinances and resolutions and perform such reasonable acts as may be necessary to assure compliance with all applicable laws, ordinances and constitutional provisions pertaining to the issuance of its securities and other related services.
 - (c) The County will furnish KNN with certified copies of all minutes from meetings and proceedings taken, affidavits of publications, etc., in connection with any of the securities issued by the County.
 - (d) The County will pay KNN for the Services set forth in **Exhibits A** and **B** in accordance with **Exhibit C** of this Agreement. The total sum of all payments made by County to KNN pursuant to Exhibit A of this Agreement ("On-Call Services") shall not exceed \$15,000 per fiscal year, plus such amounts as may be agreed upon by County and KNN through amendment to this Agreement for

Transaction Services pursuant to Exhibit B ("Contract Limit"). County reserves the right to deny any payment or reimbursement that exceeds the Contract Limit.

6. Term and Termination
 - (a) The term of this Agreement shall be from the date hereof, through June 30, 2021. The County may extend the Agreement for two consecutive one-year terms.
 - (b) At any time and without cause, this Agreement may be terminated by either party by giving forty-five (45) days written notice to the other.
 - (c) If the County determines that there has been a material breach of this Agreement by KNN, the County may immediately terminate the contract.
 - (d) KNN's obligations to provide services shall automatically terminate on the effective date of termination.
 - (e) For all other material breaches of this agreement, County must give KNN written notice setting forth the nature of the breach. If KNN fails to remedy said breach within ten (10) days from the date of the written notice, County may terminate the contract. KNN shall thereafter have no further rights, powers, or privileges against County under or arising out of this agreement.
 - (f) In the event a breach does not result in termination, but does result in costs being incurred by County, said costs shall be charged to and paid by KNN. Such costs may include, but are not limited to, costs incurred by County in investigating and communicating with KNN regarding said breach, including staff time.
7. The information used in developing forecast assumptions will be derived from published information and other sources that KNN considers appropriate. However, KNN does not assume responsibility for the accuracy of such material. Forecasts are subject to many uncertainties; therefore, KNN does not represent that any projections of growth will be representative of the results that actually will occur.
9. KNN's services consist solely of providing expert and experienced assistance to municipalities as a Municipal Advisor. KNN does not render any legal, accounting or actuarial advice.
10. Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of KNN and its associated persons. We have included disclosures regarding Conflicts of Interest and Legal or Disciplinary Events in **Exhibit D** of this Agreement.
11. This Agreement constitutes the entire Agreement between the parties. KNN shall not assign this agreement without the prior written consent of County.
12. Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, KNN is required to maintain in writing, all communication and created documents between KNN and the County for 5 years.
13. KNN shall be deemed to be an independent contractor of County. Nothing in this Agreement shall be construed as creating an employer-employee relationship, partnership or a joint venture relationship. Nothing in this Agreement authorizes or permits the County to exercise direction or control over the professional manner in which KNN provides services. KNN's services shall be provided in a manner consistent with all applicable standards and regulations governing such services.

14. All reports, information, documents, or any other materials prepared by KNN under this Agreement are the property of the County unless otherwise provided herein. KNN shall not disclose such reports, information, documents and other materials without County's prior written consent. Any requests for information shall be forwarded to County along with all copies of the information requested. County shall make the sole decision about whether and how to release information according to law. This section will survive termination of this Agreement for any reason.
15. KNN acknowledges that KNN is aware of and understands the provisions of sections 1090, et.seq., and 87100, et. seq., of the Government Code, which relate to conflicts of interest of public officers and employees. KNN certifies that KNN is unaware of any financial or economic interest of any public officer or employee of the County relating to this agreement. KNN agrees to comply with applicable requirements of Government Code section 87100, et. seq., during the term of this agreement.
16. KNN agrees that it will abide by all federal and state labor and employment laws and regulations prohibiting discrimination against any employee or applicant for employment because of race, color, religion, sexual orientation, disability, national origin, or other legally protected criteria.
17. KNN shall provide Statutory Workers' Compensation insurance coverage and Employer's Liability coverage for not less than \$1 million (\$1,000,000.00) per occurrence for all employees engaged in services or operations under this Agreement. Any insurance policy limits in excess of the specified minimum limits and coverage shall be made available to County as an additional insured. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of County for all work performed by KNN, its employees, or agents.
18. KNN shall procure and maintain, during the entire term of this Agreement or, if work or services do not begin as of the effective date of this Agreement, commencing at such other time as may be authorized in writing by the County Risk Manager, the following insurance (as noted) against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by KNN, its agents, representatives, or employees:

General Liability. A policy of Comprehensive General Liability Insurance which covers all the work and services to be performed by Contractor under this Agreement, including operations, products and completed operations, property damage, bodily injury (including death) and personal and advertising injury. Such policy shall provide limits of not less than \$1,000,000.00 per claim or occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project or the general aggregate limit shall be twice the required occurrence limit.

Automobile/Aircraft/Watercraft Liability Insurance. A policy of Comprehensive Automobile/Aircraft/Watercraft Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than \$1,000,000.00 per claim or occurrence applicable to all owned, non-owned and hired vehicles/aircraft/watercraft. If the services provided under this Agreement include the transportation of hazardous materials/wastes, then the Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance covering materials/wastes to be transported by Contractor pursuant to this Agreement. Alternatively, such coverage may be provided in KNN's Pollution Liability policy.

Professional Errors and Omissions Liability Insurance. A policy of Professional Errors and Omissions Liability Insurance appropriate to KNN's profession in an amount of not less than \$1,000,000.00 per claim or occurrence/ \$2,000,000.00 general aggregate. If

coverage is written on a claims-made form then: (1) the "retro date" must be shown, and must be before the beginning of contract work; (2) insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the contract work; and (3) if coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a "retro date" prior to the contract effective date, then KNN must purchase "extended reporting" coverage for a minimum of five years after completion of contract work.

Coverage and Provider Requirements. Insurance policies shall not exclude or except from coverage any of the services and work required to be performed by KNN under this Agreement. The required polic(ies) of insurance shall be issued by an insurer authorized to sell such insurance by the State of California, and have at least a "Best's" policyholder's rating of "A" or "A+". Prior to commencing any work under this agreement, KNN shall provide County: (1) a certificate of insurance evidencing the coverage required; (2) an additional insured endorsement for general liability applying to the County of Mono, its agents, officers and employees made on ISO form CG 20 10 11 85, or providing equivalent coverage; and (3) a notice of cancellation or change of coverage endorsement indicating that the policy will not be modified, terminated, or canceled without thirty (30) days written notice to the County.

Deductible, Self-Insured Retentions, and Excess Coverage. Any deductibles or self-insured retentions must be declared and approved by Mono County. If possible, the Insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to Mono County, its officials, officers, employees, and volunteers; or KNN shall provide evidence satisfactory to Mono County guaranteeing payment of losses and related investigations, claim administration, and defense expenses. Any insurance policy limits in excess of the specified minimum limits and coverage shall be made available to County as an additional insured.

- 18, KNN shall defend with counsel acceptable to County, indemnify, and hold harmless County, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from or in connection with, the performance of this Agreement by KNN, or its agents, officers, or employees. KNN's obligation to defend, indemnify, and hold the County, its agents, officers, and employees harmless applies to any actual or alleged personal injury, death, damage or destruction to tangible or intangible property, including the loss of use. KNN's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other costs that are caused in whole or in part as a result of KNN's gross negligence or willful misconduct, its agents, employees, supplier, or anyone directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable.

KNN's obligation to defend, indemnify, and hold the County, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for KNN to procure and maintain a policy of insurance and shall survive any termination or expiration of this Agreement.

To the fullest extent permitted by law, County shall defend with counsel acceptable to KNN, indemnify, and hold harmless KNN, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from or in connection with, the performance of this Agreement by County, or its agents, officers, or employees. County's obligation to defend, indemnify, and hold KNN, its agents, officers, and employees harmless applies to any actual or alleged personal injury, death, damage or destruction to tangible or intangible property, including the loss of use. County's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other costs that are caused in whole or in part as a result of County's gross negligence or willful

misconduct, its agents, employees, supplier, or anyone directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable. County's obligation to defend, indemnify, and hold KNN, its agents, officers, and employees harmless under the provisions of this paragraph and shall survive any termination or expiration of this Agreement.

- 19. The ability of the County to enter into this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, is not appropriated or is modified, from one or more sources, County has the option to terminate, reduce, or modify this Agreement, or any of its terms within ten (10) days of notifying KNN of the termination, reduction, or modification of available funding. Any reduction or modification of this Agreement effective pursuant to this provision must be made by amendment to this Agreement agreed upon by the County and KNN.
- 20. This Agreement shall be interpreted under the laws of and enforced in the courts of the State of California. The County of Mono shall be the venue for any action or proceeding that may be brought, or arise out of, this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

COUNTY OF MONO
A Public Entity in the State of California

By Leslie L. Chapman
Date: 9/7/18

Approved as to form and legal effect:

COUNTY COUNSEL
By: [Signature]
County Counsel
Date: 9/7/18

KNN PUBLIC FINANCE, LLC

By [Signature]
David Leifer, Senior Managing Director
Date: 9-7-18

Exhibit A
General Municipal Advisory and Pre-Transaction Scope of Services

As requested by the County, KNN shall provide "On-Call" advisory services as requested by Mono County. Such services may include, but are not necessarily limited to:

- Serve as the County's Independent Registered Municipal Advisor (IRMA). In that capacity, evaluate unsolicited financial proposals received by the County from underwriters or other market participants. Provide a written analysis of such proposals, as requested.
- Provide pre-transaction services in connection with proposed financings prior to "kick-off," including assistance with assembling a team, preparing or reviewing pro forma debt service numbers, evaluating method of sale, etc.
- Monitor outstanding County debt for refunding opportunities.
- Prepare preliminary debt service analyses and plans of finance in connection with County capital planning or other financing needs.
- Develop a Mono County Debt Affordability Model to evaluate the impact of new debt on key County debt and financial metrics.
- Assist with the development and refinement of debt, disclosure and operating reserve policies.
- Provide public finance educational workshops for staff and Board of Supervisors, as requested.
- Review rating agency methodologies and criteria and support calls and meetings relating to rating surveillance.
- Assist with the development and implementation of an investor outreach program.
- Present financing opportunities related to contemplated projects and specific areas of interest to the County.
- Prepare and maintain projected debt service, debt outstanding and other schedules related to the County's debt programs for use in the County budgeting processes.
- Participate in meetings of the County Debt Advisory Committee and Board of Supervisors, or other meetings, as needed.
- Assist County in the review of conduit financing proposals under consideration by the County.
- Other advisory services, as requested.

Exhibit B Transaction Scope of Services

The County may require the Contractor to provide municipal advisory services in connection with a debt issuance during the term of the Agreement, which may include, to the extent not provided pursuant to Exhibit A, but not limited to the following:

- Assist County in selection of financing team members (i.e., bond and disclosure counsel, underwriter, trustee, etc.), as necessary.
- Prepare a financing schedule and distribution list and coordinate activities of financing team members and representatives of the County.
- Analyze bond structures (independent from the underwriter) that will be most attractive to bond market participants and will result in the best bond pricing for the County.
- Analyze and make recommendations regarding method of sale.
- Prepare debt service analysis under alternative market, term and structure scenarios.
- Provide County staff with training and or regular updates on key issues relating to the proposed bond structure.
- Assist in review of all financing and legal documents.
- Develop rating agency strategy and approach. Prepare rating agency presentation and accompany County staff to rating agency meetings.
- Assist County in presenting the financing to the Board of Supervisors, as requested.
- Monitor tax-exempt (and taxable, if required) municipal bond market conditions; make recommendations regarding timing of pricing.
- Evaluate potential cost effectiveness of credit enhancement.
- For a negotiated sale, review fees proposed by underwriter(s) to ensure consistency with market comparables and make recommendations about composition of underwriting syndicate as well as syndicate policies (i.e., liabilities, retentions, etc.) to ensure the proper incentives are structured to result in the lowest cost of funds for the County.
- For a negotiated sale, provide pricing oversight to ensure a transparent process and the best result for the County, including the following activities:
 - analysis of relevant/recent pricing comparables;
 - outreach to non-manager underwriter desks to ensure proposed pricing is consistent with market environment;
 - evaluation of secondary market trades, if helpful;
 - negotiation with the senior underwriter to ensure that final pricing yields are consistent with demand for bonds.
- Assist the County and the financing team in arranging for the execution of financing documents and in the closing of the financing.
- Review and provide updates to the County's debt policy to ensure compliance with SB 1029 prior to issuance and County official duties.
- Prepare a post-sale closing memorandum.
- Provide advice about post issuance compliance requirements (i.e., arbitrage rebate, continuing disclosure, reporting to State Treasurer's Office, etc.).

**Exhibit C
Fee Schedule**

Payments for services performed by Contractor, pursuant to this Contract, shall be at the following list of hourly rates per hour by positions not to exceed fifteen thousand dollars (\$15,000) per fiscal year. County shall pay contractor within thirty (30) calendar days from the date invoice was received from County.

For services rendered in connection with **Exhibit A** of this document, (General "On-Call" Municipal Advisory Scope of Services), KNN will be compensated based upon the following schedule:

Managing Director/Senior Vice President:	\$325 per hour
Director:	\$310 per hour
Vice President:	\$295 per hour
Assistant Vice President:	\$275 per hour
Associate:	\$250 per hour
Analyst:	\$195 per hour

KNN's hourly rates are subject to annual calendar year increases not to exceed 3% per year.

For services rendered in connection with **Exhibit B** of this document (Transaction Scope of Services), KNN will be compensated based upon fixed transaction fees to be set forth in an amendment to this Agreement, which will not include any of the tasks provided, and paid for, pursuant to Exhibit A. The amount of such fee shall be based on objective factors including the nature and requirements of the transaction, the County's requested scope of services and the fees charged by KNN for comparable county financings.

KNN also shall be reimbursed for reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses upon submission of applicable receipts, or such other documentation as may be reasonably requested by the County.

Exhibit D Required MSRB Disclosures

Conflicts of Interest

KNN Public Finance represents that in connection with the issuance of municipal securities, KNN Public Finance may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, KNN Public Finance hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding KNN Public Finance's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair KNN Public Finance's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If KNN Public Finance becomes aware of any additional potential or actual conflict of interest after this disclosure, KNN Public Finance will disclose the detailed information in writing to the Issuer in a timely manner.

Legal or Disciplinary Events

KNN Public Finance, LLC, has never been subject to any legal, disciplinary or regulatory actions nor was it ever subject to any legal, disciplinary or regulatory actions previously, when it was a division of Zions First National Bank or Zions Public Finance, Inc.

A regulatory action disclosure has been made on Form MA-I for one of KNN Public Finance municipal advisory personnel relating to a 1998 U.S. Securities and Exchange Commission ("SEC") order that was filed while the municipal advisor was employed with a prior firm, (not KNN Public Finance). The details of which are available in Item 9; C(1), C(2), C(4), C(5) and the corresponding regulatory action DRP section on Form MA and Item 6C; (1), (2), (4), (5) and the corresponding regulatory action DRP section on Form MA-I. Issuers may electronically access KNN Public Finance's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html.

The SEC permits certain items of information required on Form MA and Form MA-I to be provided by reference to such required information already filed on a regulatory system (e.g., FINRA CRD). The above noted regulatory action has been referenced on both Form MA and MA-I due to the information already filed on FINRA's CRD system and is publicly accessible through BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck information, the Municipal Advisor's CRD number is 4457537.

There has been no change to any legal or disciplinary event that has been disclosed on KNN Public Finance's original SEC registration Form MA filed on February 8, 2016 or Form MA-I's filed on January 22, 2016.

Additional Disclosures - MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- a) KNN Public Finance, LLC is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- b) Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, County of Mono may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS LIABILITY SPECIAL BROADENING ENDORSEMENT

This endorsement modifies Insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SUMMARY OF COVERAGES	Limits	Page
1. Additional Insured by Contract, Agreement or Permit	Included	1
2. Additional Insured - Broad Form Vendors	Included	2
3. Alienated Premises	Included	3
4. Broad Form Property Damage - Borrowed Equipment, Customers Goods and Use of Elevators	Included	3
5. Incidental Malpractice (Employed Nurses, EMT's and Paramedics)	Included	3
6. Personal and Advertising Injury - Broad Form	Included	4
7. Product Recall Expense	Included	4
Product Recall Expense Each Occurrence Limit	\$25,000 Occurrence	5
Product Recall Expense Aggregate Limit	\$50,000 Aggregate	5
Product Recall Deductible	\$500	5
8. Unintentional Failure to Disclose Hazards	Included	6
9. Unintentional Failure to Notify	Included	6

This endorsement amends coverages provided under the Businessowners Coverage Form through new coverages and broader coverage grants. This coverage is subject to the provisions applicable to the Businessowners Coverage Form, except as provided below.

The following changes are made to **SECTION II - LIABILITY:**

1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II - LIABILITY, C. Who is An Insured:**

Additional Insured by Contract, Agreement or Permit

a. Any person or organization with whom you agreed in a written contract, written agreement or permit to add such person or organization as an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.

- (4) Will not be broader than coverage provided to any other insured.

- (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.

- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
 - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
 - (3) To any lessor of equipment.
 - (a) After the equipment lease expires; or
 - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor.
 - (4) To any:
 - (a) Owners or other interests from whom land has been leased if the "occurrence" takes place or the offense is committed after the lease for the land expires; or
 - (b) Managers or lessors of premises if:
 - (i) The "occurrence" takes place or the offense is committed after you cease to be a tenant in that premises; or
 - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
 - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury" involved the rendering of or failure to render any professional services by or for you.
- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION II - LIABILITY, D. Liability and Medical Expense Limits of Insurance**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

1. Required by the contract, agreement or permit described in Paragraph a.; or
2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations

- a. All other insuring agreements, exclusions, and conditions of the policy apply.

2. Additional Insured - Broad Form Vendors

The following is added to **SECTION II - LIABILITY, C. Who Is An Insured**:

Additional Insured - Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an Insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
 - (1) Only applies to the extent permitted by law;
 - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
 - (3) Will not be broader than coverage provided to any other Insured; and
 - (4) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto

- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;

- (3) Any physical or chemical change in the product made intentionally by the vendor;
 - (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;
 - (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
 - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
 - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
 - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
 - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
 - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
 - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION II - LIABILITY, D. Liability and Medical Expense Limits of Insurance:**

The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract or agreement described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

3. Alienated Premises

SECTION II - LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage k. Damage to Property, paragraph (2) is replaced by the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

4. Broad Form Property Damage - Borrowed Equipment, Customers Goods, Use of Elevators

- a. The following is added to **SECTION II - LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage, k. Damage to Property:**

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraph (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor to the use of elevators.

- b. For the purposes of this endorsement, the following definition is added to **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions:**

1. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. Worked on; or
- b. Used in your manufacturing process.

- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

5. Incidental Malpractice - Employed Nurses, EMT's and Paramedics

SECTION II - LIABILITY, C. Who is An Insured, paragraph 2.a.(1)(d) does not apply to a nurse,

emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

6. Personal Injury - Broad Form

a. **SECTION II - LIABILITY, B. Exclusions, 2. Additional Exclusions Applicable only to "Personal and Advertising Injury"**, paragraph e. is deleted.

b. **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, 14. "Personal and advertising injury"**, paragraph b. is replaced by the following:

b. Malicious prosecution or abuse of process.

c. The following is added to **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, Definition 14. "Personal and advertising injury"**:

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

(1) Not done intentionally by or at the direction of:

(a) The insured;

(b) Any officer of the corporation, director, stockholder, partner or member of the insured; and

(2) Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.

d. For purposes of this endorsement, the following definition is added to **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions**:

1. "Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

e. This coverage does not apply if liability coverage for "personal and advertising injury" is excluded either by the provisions of the Coverage Form or any endorsement thereto.

7. Product Recall Expense

a. **SECTION II - LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage,**

o. Recall of Products, Work or Impaired Property is replaced by the following:

o. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product".

However, the exception to the exclusion does not apply to "product recall expenses" resulting from:

(4) Failure of any products to accomplish their intended purpose;

(5) Breach of warranties of fitness, quality, durability or performance;

(6) Loss of customer approval, or any cost incurred to regain customer approval;

(7) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

(8) Caprice or whim of the insured;

(9) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

(10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials; or

(11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

b. The following is added to **SECTION II - LIABILITY, C. Who Is An Insured, paragraph 3.b.**:

"Product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

- c. The following is added to **SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance**:

Product Recall Expense Limits of Insurance

- a. The Limits of Insurance shown in the **SUMMARY OF COVERAGES** of this endorsement and the rules stated below fix the most that we will pay under this Product Recall Expense Coverage regardless of the number of:
- (1) Insureds;
 - (2) "Covered Recalls" initiated; or
 - (3) Number of "your products" withdrawn.
- b. The Product Recall Expense Aggregate Limit is the most that we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
- c. The Product Recall Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.
- d. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".
- e. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
- f. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
- g. **Product Recall Deductible**
We will only pay for the amount of "product recall expenses" which are in excess of the \$500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment

of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

- d. The following is added to **SECTION II - LIABILITY, E. Liability and Medical Expense General Conditions, 2. Duties in the Event of Occurrence, Offense, Claim or Suit**:

You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall;
 - (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.
- e. For the purpose of this endorsement, the following definitions are added to **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions**:
1. "Covered recall" means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".
 2. "Product recall expense(s)" means:
 - a. Necessary and reasonable expenses for:
 - (1) Communications, including radio or television announcements or printed advertisements including stationary, envelopes and postage;

- (i) Within 12 months after we pay the actual cash value; or
- (ii) Within 24 months after we pay the actual cash value if the loss or damage relates to a state of emergency as described in Section 8558 of the Government Code;

unless we extend the time period for good cause.

Nothing in this Paragraph (d) constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

(5) Tenants' Improvements and Betterments at:

- (a) Replacement cost in accordance with the terms set forth in Paragraph (d) above.
- (b) A proportion of your original cost if the property is not repaired or replaced. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing if others pay for repairs or replacement.
- (d) Nothing if you have no lease.

B. SECTION III - COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I - PROPERTY AND SECTION II - LIABILITY)

1. SECTION III - COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I - PROPERTY AND SECTION II - LIABILITY), A. Cancellation, paragraphs 2. and 3. are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this Policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this Policy by mailing or delivering to the first Named Insured at the mailing address shown in the Policy

and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
 - (1) Nonpayment of premium; or
 - (2) Discovery of fraud by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this Policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a. If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only upon the occurrence, after the effective date of the Policy, of one or more of the following:
 - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this Policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/05/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Doug Jones c/o Artex Risk Solutions, Inc. 8840 E. Chaparral Rd.; Suite 275 Scottsdale, AZ 85250	CONTACT NAME: PHONE (A/C, No, Ext): (480) 951-4177 FAX (A/C, No): (480) 951-4266	
	E-MAIL ADDRESS: SDL.BSD.Certificates@artextrisk.com	
INSURED TriNet HR IV, LLC Labor Contractor, for co-employees of: KNN Public Finance, LLC 909 Third Ave Fl 10 New York, NY 10022	INSURER(S) AFFORDING COVERAGE	
	INSURER A : American Zurich Insurance Company	NAIC # 40142
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	

COVERAGES **CERTIFICATE NUMBER:** 18NY605912196 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> OTHER						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	X	WC 16-62-791-03	07/01/2018 07/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
	Location Coverage Period:			07/01/2018	07/01/2019	Client# 9FYK-CA	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Coverage is provided for only those co-employees of, but not subcontractors to:
 KNN Public Finance, LLC
 1300 Clay St Ste 1000
 Oakland, CA 94612
 A Waiver of Subrogation applies in favor of County of Mono as required by written contract.

Endorsements: Waiver of Subrogation

CERTIFICATE HOLDER **CANCELLATION**

County of Mono Courthouse Annex II Bridgeport, CA 93517	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	---

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT – CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the schedule (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be \$0 of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization

Job Description

IN FAVOR OF:
County of Mono
Courthouse Annex II
Bridgeport, CA 93517

A Waiver of Subrogation applies in favor of County of Mono as required by written contract.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 09/05/2018

Policy No: WC 16-62-791-03

Endorsement No:

Insured: TriNet HR IV, LLC Labor Contractor, for co-employees of: KNN Public Finance, LLC
909 Third Ave FI 10

Insurance Company: American Zurich Insurance Company

Countersigned by

WC 04 03 06

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**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: CDD

TIME REQUIRED

**PERSONS
APPEARING
BEFORE THE
BOARD**

Wendy Sugimura

SUBJECT Bi-State Sage-Grouse Conservation
Commitment Letter

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Presentation regarding updating Mono County's Letter of Commitment to the Bi-State sage-grouse conservation effort.

RECOMMENDED ACTION:

Approve, with any desired modifications, the attached letter from Mono County to the US. Fish and Wildlife Service affirming commitment to the implementation of the Bi-State Action Plan, and authorize the Board Chair to sign. Provide any desired direction to staff.

FISCAL IMPACT:

None at this time.

CONTACT NAME: Wendy Sugimura

PHONE/EMAIL: 7609241814 / wsugimura@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
Staff Report
Letter of Commitment
EOC
Conservation Commitments

History

Time

Who

Approval

11/8/2018 9:24 AM	County Administrative Office	Yes
11/6/2018 10:48 AM	County Counsel	Yes
11/6/2018 4:27 PM	Finance	Yes

Mono County Community Development Department

PO Box 347
Mammoth Lakes, CA 93546
760.924.1800, fax 924.1801
commdev@mono.ca.gov

PO Box 8
Bridgeport, CA 93517
760.932.5420, fax 932.5431
www.monocounty.ca.gov

Date: November 13, 2018

To: Mono County Board of Supervisors

From: Wendy Sugimura, Director

RE: Bi-State Sage-Grouse Conservation Commitment Letter

RECOMMENDED ACTION

Approve, with any desired modifications, the attached letter from Mono County (Attachment 1) to the US. Fish and Wildlife Service affirming commitment to the implementation of the Bi-State Action Plan and authorize the Board Chair to sign. Provide any desired direction to staff.

FISCAL IMPACT: None at this time.

BACKGROUND

In 2015, after an approximately two-year process to evaluate the status of the Bi-State Distinct Population Segment of Greater Sage-Grouse (Bi-State sage-grouse) under the Endangered Species Act (ESA), the U.S. Fish and Wildlife Service (Service) withdrew a proposal to list the bird as Threatened. A critical component of the decision was Letters of Commitment from Bi-State conservation partners participating in the Local Area Working Group (LAWG), Technical Advisory Committee (TAC), and Executive Oversight Committee (EOC) to demonstrate Certainty of Implementation under the Service's Policy for Evaluation of Conservation Efforts (PECE). This policy identifies criteria the Service uses to determine whether formalized conservation efforts that have yet to be implemented or to show effectiveness contribute to making the listing of a species unnecessary. The Service determined, as part of the 2015 decision to withdraw, that the Letters of Commitment combined with \$45 million in committed funding over the next 10 years helped meet the PECE criteria.

The Letters of Commitment from agency partners are available at http://www.ndow.org/Nevada_Wildlife/Sage_Grouse/Bi-State_FWS/. In addition, Mono County's letter is included as an attachment to the current draft letter.

However, in late August 2018, a federal judge reversed the Service's decision to withdraw the proposed listing of the Bi-State Sage-Grouse, and the Service was subsequently ordered by the court to conduct a new review. The Service is initiating that review now and has a court-ordered deadline of approximately one year.

DISCUSSION

In preparation for the review, the Bi-State conservation partners are updating their previous Letters of Commitment, and Mono County has been requested to participate. While the dewatering of Long Valley by the Los Angeles Department of Water and Power is certainly a new development in the Bi-State sage-grouse story, Mono County's commitment to conservation of the bird and implementation of the Bi-State Action Plan remains the same. Therefore, a Letter of Commitment has been drafted for the Board's consideration (Attachment 1) and, if approved, will be submitted to the Service with the other letters from the Bi-State partnership.

ATTACHMENTS

1. 2018 Mono County Letter of Commitment to Bi-State Sage-Grouse conservation



Jennifer Halferty ~ District One Fred Stump ~ District Two Bob Gardner ~ District Three
John Peters ~ District Four Stacy Corless ~ District Five

BOARD OF SUPERVISORS COUNTY OF MONO

P.O. BOX 715, BRIDGEPORT, CALIFORNIA 93517

(760) 932-5533 • FAX (760) 932-5531

Shannon Kendall, Clerk of the Board

Director
U.S. Fish & Wildlife Service
MAIN INTERIOR
1849 C STREET NW, ROOM 3331
WASHINGTON, DISTRICT OF COLUMBIA 20240-0001

Subject: Continuing Commitment and Assurance to Implement Conservation Actions for the Bi-State Distinct Population Segment of the Greater Sage Grouse

Dear Director:

The purpose of this letter is to reaffirm Mono County's commitment to aggressively implement conservation actions in support of maintaining and improving habitat and species viability for the Bi-State Distinct Population Segment of the Greater Sage Grouse. As previously stated in the attached June 9, 2014 letter to the Service (Attachment 1), Mono County continues to be highly engaged in the Bi-State Local Area Working Group (LAWG), Technical Advisory Committee (TAC) and Executive Oversight Committee (EOC) and remains firmly committed to completing its share of the Bi-State Action Plan.

Accomplishments since 2014

Since our 2014 commitment letter, Mono County has directed approximately \$1.7 million to sage-grouse conservation work, including setting aside funding to relocate and remove the existing landfill in the South Mono Population Management Unit (PMU) by 2023, updating the 2015 Mono County General Plan to include required mitigation measures for discretionary projects that may impact sage-grouse populations or habitat, review of other plans with sage-grouse conservation measures (e.g., Humboldt-Toiyabe National Forest Plan update, Inyo National Forest Plan update), developing a website to provide outreach and information dissemination, updating the Community Wildfire Protection Plan (CWPP) to include best practices to reduce the threat of wildfire to sage-grouse habitat, filing as intervenors on behalf of the U.S. Fish and Wildlife Service to defend the decision to withdraw the listing, reviewing ministerial permits (e.g., building permits) and working with applicants to minimize potential impacts, initiating legal action against the Los Angeles Department of Water and Power (LADWP) for dewatering a portion of the South Mono PMU prior to complying with the California Environmental Quality Act, and responding to LADWP's Notice of Preparation of and Environmental Impact Report (EIR) on the proposed dewatering project (known as the Ranch Lease

Renewal Project). Mono County has also helped convene other interested parties such as environmental organizations to collaborate on the LADWP dewatering issue.

In addition, Mono County has partnered with the Bureau of Land Management (BLM) Bishop Field Office on nearly \$225,000 of services and projects (funded by the BLM), including habitat conservation projects to restore/protect wet meadows in Long Valley and Bodie Hills, assistance coordinating and attendance at meetings (Local Area Working Group, Technical Advisory Committee, and Executive Oversight Committee), assistance with annual lek counting, editing annual reports, and engaging in conservation and management issues on lands owned by the Los Angeles Department of Water and Power (LADWP).

Future commitment

Please see the attached revised Mono County Bi-State Sage-Grouse Conservation Commitments (Attachment 2), which outlines how the agency plans to complete its share of Bi-State Action Plan conservation projects. We remain firmly committed to directing the estimated \$6.6 million required to implement this work on the Inyo and Humboldt-Toiyabe National Forests and completing it over the next 5-6 years.

Additional info/Closing comments

The Executive Oversight Committee (EOC) for the Bi-State LAWG has submitted a summary of its conservation accomplishments to date under separate cover to your agency. We hope you will consider our significant accomplishments to date along with this commitment from Mono County as you evaluate development of either a final rule to list the species, or a finding that listing is no longer warranted. With this letter we wish to clearly indicate our commitment to conservation of the species and its habitats.

We will continue to maintain close relationships with your staff and our partners to prioritize funding where biological benefits are maximized. If you have any questions, please don't hesitate to contact Wendy Sugimura, Community Development Director, at (760) 924-1814 or wsugimura@mono.ca.gov.

Sincerely,

Bob Gardner
Chair

Attachments:

1. Commitment Letter dated June 9, 2014
2. Updated Mono County Bi-State Sage-Grouse Conservation Commitments (2018)

CC: U.S. Fish and Wildlife Service, Reno Office
Congressman Paul Cook
Senator Dianne Feinstein
Senator Barbara Boxer
State of California, Governor Brown
Office State of Nevada, Governor Sisolak
Forest USFS, Humboldt-Toiyabe National Forest

BLM, Bishop Field
Town of Mammoth Lakes
Rural County Representatives of California (RCRC)
County of Alpine
California State Association of Counties (CSAC)
USFS, Inyo National
County of Inyo

Mono County Community Development Department

PO Box 347
Mammoth Lakes, CA 93546
760.924.1800, fax 924.1801
commdev@mono.ca.gov

PO Box 8
Bridgeport, CA 93517
760.932.5420, fax 932.5431
www.monocounty.ca.gov

June 9, 2014

Mr. Edward D. Koch
State Supervisor
U.S. Fish and Wildlife Service
Nevada Fish and Wildlife Office
1340 Financial Boulevard, Suite 234
Reno, NV 89502

RE: US Fish & Wildlife Service Public Hearing on the Bi-State Distinct Population Segment (DPS) of Greater Sage-Grouse Proposals

Dear Mr. Koch:

The purpose of this letter is to provide supplemental information regarding Mono County's Bi-State Action Plan efforts, and highlight relevant new information as a companion to the Mono County Board of Supervisor's comments presented by Chairman Johnston at the U.S. Fish and Wildlife Service's public hearings in May, 2014. Mono County continues to actively participate in the Local Area Working Group (LAWG) and multi-agency efforts to refine and implement the 2012 Bi-State Action Plan (Plan), and conserve Bi-State DPS populations and habitat. Collectively, these efforts meet the U.S. Fish and Wildlife Service's policy for the evaluation of conservation efforts (PECE) by assuring implementation and demonstrating effectiveness, and therefore a listing of the Bi-State DPS is not necessary. **This letter summarizes our completed and proposed work, and commits \$5.9 million in implementation funding (Attachment 1).**

Mono County's completed and/or ongoing work includes the following:

Actions MER2-7 through MER2-11: Secure conservation easement or agreement with willing landowners in various Mono County locations.

- Mono County convenes a meeting of agencies to discuss landownership adjustment projects on a quarterly basis, and hosted a meeting specific to Bi-State DPS projects on May 5, 2014. This group will continue to meet regularly and coordinate opportunities, funding, and interested landowners.
- Through day-to-day interactions with landowners via phone, webpage, and at permit counters in Bridgeport and Mammoth the County disseminates informational material, offers suggestions/guidance, and occasionally makes contact with willing landowners.
- Ongoing costs of \$5,000 annually is fully funded.

Action MER3-12: Provide educational opportunities to landowners about the importance of sage-grouse habitat and the need to reduce predation caused by pets in areas where sage-grouse occur.

- Mono County has and will continue to assist with LAWG educational events.
- Discretionary permits in sage-grouse areas include conditions for restraining pets.
- The County maintains an Animal Control office that provides educational outreach services to pet owners and enforcement of County leash laws in sage grouse habitat areas.
- Ongoing costs of \$5,000 annually is fully funded.

Actions RAM5-1A and B: Develop and implement a standardized spatial and tabular database to collect and store all greater sage-grouse conservation related project work occurring in the Bi-State area.

- Mono County worked with the Bureau of Land Management (BLM) Bishop Field Office to initiate database development, and will continue to assist as requested.

Action MSI2-1: Conduct workshops to provide information about programs available to assist ranchers and other private landowners that may be interested in the implementation of sage-grouse conservation projects and to explore opportunities for cooperative conservation of sage-grouse in the Bi-State area.

- Mono County coordinated and hosted a public LAWG workshop on the Natural Resource Conservation Service's (NRCS's) Working Lands for Wildlife Program, and the proposed 4(d) Rule and critical habitat on May 27, 2014.
- Mono County is outreaching on Bi-State DPS issues to private property owners and agricultural operators through the Resource Conservation District, Inyo-Mono Agricultural Commissioner's office, Regional Planning Advisory Committees, and local land trust.
- Ongoing costs of \$5,000 annually is fully funded.

Mono County's projects in progress or anticipated for the future include the following:

Action IRM2-1: Coordinate with Mono County to develop and incorporate sage-grouse conservation guidance into applicable plans and programs.

- A multi-agency meeting to discuss mitigation strategies and measures was held on April 24, 2014.
- An update of General Plan policies specific to the Bi-State DPS conservation will be reviewed with RPACs, Planning Commission, county departments and interested agencies and landowners in late 2014, and adoption is anticipated by late 2015.
- These projects are fully funded at \$50,000.

Action MER3-2: Identify and prove an alternate location for the Mono County landfill and work towards removing the existing landfill out of the Long Valley portion of the South Mono PMU.

- A closure plan and funding program for 2023 is under development and will include raven mitigation measures. Various options for site relocation and operation reconfiguration have been identified.
- Non-lethal raven deterrents are being employed with measures to reduce attractants/subsidies.
- \$2+ million in closure costs is currently funded, and approximately \$6 million is expected to be funded by 2023. Additional costs for the closure / raven mitigation plan are anticipated at about \$5,000/yr.

Action MER3-11: Install "grouse crossing" signs at strategic locations along the Owens River Road in the Long Valley portion of the South Mono PMU where birds are known to roost and road kills have been documented.

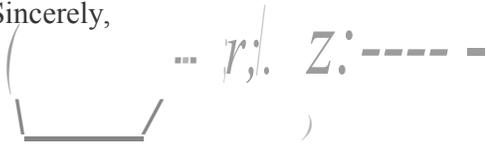
- Mono County will assist with the placement and installation of signs in Mono County's right-of-way.
- Up to \$5,000 is fully funded by Mono County/BLM Bishop.

In addition, Mono County has been advocating with Congressional Representatives and other government officials for up to \$38 million in new federal appropriations to implement the Plan (see Attachments 2 and 3). Congressman Paul Cook, in particular, has been very helpful, submitting Mono County's request to the federal budget process. Congressmen Mark Amodei and Mike Simpson; Senators Dianne Feinstein, Barbara Boxer, Harry Reid and Dean Heller; and Governors Jerry Brown and Brian Sandoval have also been contacted. Concurrently, federal land managers such as the BLM, US Forest Service, and NRCS have been working within their respective agencies to secure the necessary funding. The NRCS has largely secured its share of federal funding through the recently passed Farm Bill, and the other agencies are making progress.

Collectively, the projects and funding efforts by all Bi-State DPS cooperators provide **assurance of implementation**. The recently released *Update and Preliminary Findings for Great Sage-Grouse Integrated Population Model in the Bi-State Distinct Population Segment* (May 27, 2014), which coincides with the Bi-State Action Plan implementation period of 2002-2012, concludes the "population growth rate could not be distinguished from a stable population for all sites, except Parker Meadows" and provides **assurance of effectiveness**. Taken together, all the efforts combined with biological data demonstrate **the Bi-State Action Plan is clearly meeting the PECE policy and a listing of the Bi-State DPS is not necessary**.

Thank you for taking the time to consider this additional information. Please contact Analysts Wendy Sugimura, 760.924.1814 and Brent Calloway, 760.924.1809 if you have questions regarding these comments.

Sincerely,



Scott Burns
Director

Attachments:

1. Mono County ten-year implementation timeline and funding commitments
2. Preservation Plan
3. Funding Request

CC: Congressman Paul Cook	Town of Mammoth Lakes
Senator Dianne Feinstein	Rural County Representatives of California (RCRC)
Senator Barbara Boxer	County of Alpine
State of California, Governor Brown	BLM, Bishop Field Office
State of Nevada, Governor Sandoval	USFS, Inyo National Forest
USFS, Humboldt-Toiyabe National Forest	County of Inyo
California State Association of Counties (CSAC)	

ATTACHMENT 1

Mono County Ten-Year Implementation Timeline and Funding Commitments

Fiscal Year	Activity	Action Plan #	Activity/Restoration Goals	Cost Estimates
COMPLETED PROJECTS				
	Implementation: Human Disturbance	MER 2-7 thru 2-11	Bi-State DPS meeting on private land projects and regular agency coordination, daily contacts	N/A
	Implementation: Human Disturbance	MER 3-12	Landowner education: LAWG workshop, use permit conditions, animal control enforcement	
	Monitoring	RAM 5-1A & B	Geodatabase and spreadsheet data collection and organization	
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	
FUTURE/ONGOING PROJECTS				
FY 13-14	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$2M
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Incorporate sage-grouse conservation guidance into applicable Mono County plans and programs	\$20,000
FY Subtotal				\$2,040,000
FY 14-15	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$270,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Incorporate sage-grouse conservation guidance into applicable Mono County plans and programs	\$20,000
	Implementation: Infrastructure	MER 3-11	Reduce road kills by installing "grouse crossing" signs	\$5,000
FY Subtotal				\$315,000
FY 15-16	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$270,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Incorporate sage-grouse conservation guidance into applicable Mono County plans and programs	\$10,000

FY Subtotal				\$305,000
FY 16-17	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$270,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$305,000
FY 17-18	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$270,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$305,000
FY 18-19	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$270,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$305,000
FY 19-20	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$270,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$305,000
FY 20-21	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$600,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000

	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$630,000
FY 21-22	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$600,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$630,000
FY 22-23	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$600,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$630,000
FY 23-24	Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values, minimize risk of future development	\$5,000
	Implementation: Infrastructure	MER 3-2	Relocate/remove existing landfill in S. Mono PMU	\$100,000
	Implementation: Infrastructure	MER 3-2	Landfill closure & raven mitigation plan, raven deterrents and reduction of subsidies/attractants	\$5,000
	Implementation: Human Disturbance	MER 3-12	Educate landowners on value of sage-grouse habitat and reduce predation by pets.	\$5,000
	Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners	\$5,000
	Implementation: Improve Regulatory Mechanisms	IRM 2-1	Implement sage-grouse conservation policies in applicable Mono County plans and programs	\$10,000
FY Subtotal				\$130,000
TEN YEAR FUNDING TOTAL				\$5,900,000

Attachment: Bi-State Sage-Grouse Preservation Plan 5-Year Cost Estimate

Action Item	<i>Sub-total (5-year Costs):</i>	Mono County Match
Science Advisor & Conservation Planning Tool	\$1,325,000	
Interagency Wildfire Management	\$250,000	
Urbanization Abatement (Conservation Easements)	\$12,880,708	
Infrastructure/Human Disturbance ¹	\$517,100	\$2,700,000
Pinyon and Juniper Encroachment	\$12,991,843	
Disease and Predation	\$250,000	
Wild Horse Management	\$1,250,000	
Small Populations (DPS Translocations)	\$750,000	
Habitat Improvement	\$641,039	
Habitat Improvement & Restoration	\$895,000	
Improve Regulatory Mechanisms		\$50,000
Maintain and Improve Stakeholder Involvement		\$50,000
Total Direct Costs:	\$31,750,690	
NEPA Related Costs (25% for applicable actions):	\$3,944,471	
Effectiveness Monitoring Costs (15% for applicable actions):	\$2,179,182	
Total Planning/Implementation/Monitoring Costs:	\$37,874,343	
with Mono County match	\$40,674,343	

The funding request is for Federal agencies, such as the US Forest Service and Bureau of Land Management, to implement their portions of the Bi-State Action Plan, which is available from <http://www.regulations.gov/#!documentDetail;D=FWS-R8-ES-2013-0042-0007>. Specific projects that will be enabled by this funding are located on pages 81-101.

¹ \$5.7 million match from Mono County by 2023.



Bi-State Distinct Population Segment of Greater Sage-Grouse Federal Appropriations Request

Date: April 2014

To: Congressional Representatives of the United States

The Endangered Species Act (Act) is quickly becoming a leading issue across the United States. In California and Nevada, we are seeing the potentially devastating impacts from multiple species listings and the constraining burden of new regulations, driven by an aggressive litigation settlement timeline. The Bi-State distinct population segment of Greater Sage-Grouse is currently proposed for designation of critical habitat and listing as threatened under the Endangered Species Act, with a decision due late this year.

Local landowners and agencies, including Mono County, working for over a decade in collaboration with state and federal agencies which include the Bureau of Land Management, United States Forest Service, and the United States Fish and Wildlife Service, have developed a proactive, cost-effective plan to prevent a listing. This 2012 Bi-State Action Plan (Plan), if funded, would ensure the policy objectives of the Act are achieved, namely saving a species, while also ensuring the viability of local economies. We are asking for your support through a supplemental appropriation.

We request a \$30,043,639 million supplemental appropriation for habitat conservation programs detailed in the Plan (see attached). This Plan has been fully vetted, reflects stakeholder and agency commitment, and over the next five years will provide the science-based protections required to justify a not to list.

The funding necessary to implement the plan in the next five years totals \$30,043,639, after deducting funding available to the National Resources Conservation Service (NRCS) through the recently passed Farm Bill. These funds would be apportioned for the U.S. Forest Service (\$16,135,021), Bureau of Land Management (\$6,352,099), U.S. Fish and Wildlife Service (\$5,967,808), U.S. Geological Survey (\$1,325,000), and Department of Defense (\$263,711). We have verified these needs with Nevada and California agencies, and attached is the project-specific spreadsheet identifying costs as well as a one-page project description which reflects the needed investment strategies.

When compared to the \$2 billion going to Lake Tahoe and billions going to Sacramento Bay Delta, this small investment will create a return on investment of federal dollars along with effectively achieving policy goals. In fact, already matching funds totaling just under \$3 million have been identified from Mono County (\$2.8 million) and the Department of Defense (\$168,000).

Finally, this potential critical habitat designation and listing could impact the training ability of our nation's armed forces. The Hawthorne Army Depot and 82% of the Marine Corps Mountain Warfare Training Center's usage training areas are located within proposed critical habitat.

Please join us in supporting a model conservation effort that restores the true spirit of the Endangered Species Act, protects local economies, and provides a real solution to a growing problem facing public and private lands.

Note: For brevity, the attachment to this document (pages 81-101 of the 2012 Bi-State Action Plan) were not included.

ATTACHMENT 2

Updated Mono County Bi-State Sage-Grouse Conservation Commitments (2018)

Activity	Action Plan #	Activity/Restoration Goals	Cost Estimates
COMPLETED PROJECTS			
Implementation: Human Disturbance	MER 2-7 thru 2-11	Bi-State DPS meeting on private land projects and regular agency coordination, daily contacts, assist with securing conservation easements	\$1.7 million from 2014-2018
Implementation: Human Disturbance	MER 3-12	Landowner education: LAWG workshop, use permit conditions, animal control enforcement	
Implementation: Regulatory Mechanisms	IRM 1-6 & 2-1	Participated in update of Humboldt-Toiyabe National Forest Plan update, updated Mono County General Plan to include sage-grouse conservation measures	
Implementation: Wildfire	MER 1-8	Updated the County’s CWPP to reduce the threat of wildfire	
Implementation: Infrastructure and Human Disturbance	MER 3-2	Continued efforts and set-aside funding for closure and relocation of Benton Crossing Landfill by 2023	
Monitoring	RAM 5-1A & B	Geodatabase and spreadsheet data collection and organization	
Implementation: Habitat Improvement and Restoration	HIR 1-3-B, HIR 1-1-SM, HIR 2-1-SM	Completed habitat restoration projects in Bodie and South Mono as directed by BLM, engaged with LADWP on irrigation issues in brood meadows	
Implementation: Research and Monitoring	RAM1	Participated in annual lek counts in South Mono and Bodie PMUs	
Implementation: Stakeholder Involvement	MSI 2-1	LAWG workshop, outreach to private property owners, assistance with scheduling LAWG/TAC/EOC meetings and facilities	
Implementation: Stakeholder Involvement	MSI 2-3	Development and “go live” of a Bi-State website, including mailing list	
FUTURE/ONGOING PROJECTS: 2018-2023			
Implementation: Human Disturbance	MER 2-7 thru 2-11	Maintain private lands and associated sage grouse habitat values (e.g., north county water transfer project), minimize risk of future development, assist with securing conservation easements	\$15,000
Implementation: Infrastructure	MER 3-2	Total cost of relocating and closing the Benton Crossing Landfill (funding set aside over time and incurred in 2023 with closure). Does not include ongoing monitoring and maintenance after closure, or development of an alternative landfill/waste management site.	\$5.06 million
Implementation: Human Disturbance	MER 3-12	Landowner education, use permit conditions, building permit review, animal control enforcement	\$5,000
Implementation: Habitat Improvement and Restoration	HIR 2-1-SM	Continue to engage with LADWP on irrigation issues in brood meadows in S. Mono PMU	\$100,000
Implementation: Research and Monitoring	RAM1	Participate in annual lek counts, review annual reports	\$20,000
Implementation: Stakeholder Involvement	MSI 2-1	Meeting coordination & attendance, website work, outreach to private property owners	\$20,000
TOTAL 2018-2023 (including all landfill closure costs)			\$5.08 million



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: MCCCC

TIME REQUIRED

SUBJECT Approval of Revision of the Mono
County Child Care Council Bylaws

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

The Mono County Child Care Council is recommending a change in the Council Bylaws to reflect changes in the mission statement, the Coordinator to a part-time position, the dates of the membership terms, information regarding meetings, the Executive Committee, and reimbursement forms.

RECOMMENDED ACTION:

Approve proposed change to the Mono County Child Care Council Bylaws.

FISCAL IMPACT:

None.

CONTACT NAME: Scheereen Dedman

PHONE/EMAIL: x5538 / sdedman@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
Staff Report
Bylaws with changes

History

Time	Who	Approval
11/1/2018 10:59 AM	County Administrative Office	Yes
11/7/2018 11:42 AM	County Counsel	Yes

10/29/2018 9:59 AM

Finance

Yes

Mono County Child Care Council



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625 Old Mammoth Road
P.O. Box 8571
Mammoth Lakes, CA 93546

Date: November 13, 2018
To: Honorable Board of Supervisors
From: Queenie Barnard, Mono County Child Care Council Coordinator
Subject: Mono County Child Care Council By-Laws

Recommendation:

- Approve amended Mono County Child Care Council By-Laws

Discussion:

Pursuant to statutes, Education Code, sections 8499.3 and 8499.5, both county boards of supervisors (CBS) and county superintendents of schools (CSS) are mandated to be involved in the local child care planning process.

Specifically, the CBS and CSS are directed to: 1) appoint members to the MCCCC according to the guidelines prescribed in the statute; 2) publicize their intention and invite local organizations to submit nominations before selecting the members; 3) establish the terms of appointments for the members of the MCCCC; 4) approve the priorities that are developed by the LPC for submission to the California Department of Education (CDE), for new state and federal child care funding for the county; 5) approve the needs assessment developed by the LPC for submission to the CDE; 6) designate two persons, one selected by the CBS and one selected by the CDE or one person selected by both appointing agencies, to serve as a part of the team that reviews and scores contract child care service applications submitted to the CDE.

Fiscal Impact:

None

Attachments:

1. Amended Mono County Child Care Council By-Laws

**MONO COUNTY CHILD CARE COUNCIL
BY-LAWS**

MISSION STATEMENT

~~Through active collaboration the Mono County Child Care Council (MCCCC) will assess, promote, advocate, educate, support and plan for county wide access to quality child care.~~

Commented [QB1]: Replace with new Mission Statement developed during 2017 Strategic Planning Retreat: The Mono County Child Care Council will actively lead a community-wide effort to develop and sustain accessible, high-quality, affordable child care and education.

**ARTICLE I
PURPOSE**

Section 1. Purpose Statement

Pursuant to statutes, Education Code, sections 8499.3 and 8499.5, both county boards of supervisors (CBS) and county superintendents of schools (CSS) are mandated to be involved in the local child care planning process.

In Mono County, the Local Planning Council (LPC) is known as the Mono County Child Care Council (MCCCC).

Section 2. Duties

Specifically, the CBS and CSS are directed to: 1) appoint members to the MCCCC according to the guidelines prescribed in the statute; 2) publicize their intention and invite local organizations to submit nominations before selecting the members; 3) establish the terms of appointments for the members of the MCCCC; 4) approve the priorities that are developed by the MCCCC for submission to the California Department of Education (CDE), for new state and federal child care funding for the county; 5) approve the needs assessment developed by the MCCCC for submission to the CDE; 6) designate two persons, one selected by the CBS and one selected by the CDE or one person selected by both appointing agencies, to serve as a part of the team that reviews and scores contract child care service applications submitted to the CDE.

**ARTICLE II
FUNCTIONS**

Section 1. Functions

To fulfill its responsibilities, the Council shall:

1. Elect a chair.
2. Employ, as an MCCCC Coordinator, staff person(s) equivalent to at least one ~~full-time~~ position. The MCCCC Coordinator shall assist the MCCCC in meeting the mandates set forth in Title 1, Division 1, Part 6, and Chapter 2.3 of the Education Code. Additionally, the MCCCC shall employ support staff as deemed necessary to meet MCCCC roles and responsibilities.

Commented [QB2]: Replace: part-time

3. Conduct an assessment of child care needs at least once every five years. The needs assessment shall meet the requirements as specified in Education Code, Section 8499.5(b).
4. Document information gathered during the needs assessment which shall include, but need not be limited to data on supply, demand, cost, and market rates for each category of child care in the County.
5. Submit the results of the needs assessment and the local priorities identified by the MCCCC to the CBS and CSS for approval before submitting them to the CDE.
6. Prepare a comprehensive County-wide child care plan designed to mobilize public and private resources to address identified needs.
7. Encourage public input in the development of the priorities. Opportunities for public input shall include at least one public hearing during which members of the public can comment on the proposed priorities.
8. Conduct a periodic review of child care programs funded by the CDE and CSS to determine if identified priorities are being met.
9. Collaborate with subsidized and non-subsidized child care providers, county welfare and human service departments, regional centers, job training programs, employers, integrated child care family service councils, local and state children and families commissions, parent organizations, early start family resource centers, family empowerment centers on disabilities, and local child care resource and referral agencies to foster partnerships designed to meet local child care needs.
10. Facilitate community-based efforts to coordinate part-day programs, including State Preschool and Head Start, with other child care to provide full-day, full-year child care and development services based on guidelines and funding models approved by state and federal agencies.
11. Develop and implement a training plan to provide increased efficiency, productivity, and facilitation of Council meetings.

ARTICLE III **MEMBERSHIP**

Section I. Composition of the Council

The Council consists of ten (10) members appointed by the BOS and CSS in the manner described more fully below, who serve at the pleasure of those appointing authorities. Members exercise decision making responsibility for Planning Council functions as described in AB1542, as well as hold voting rights on all Council business and policy recommendations. The Council's membership is composed of equal representation from each category listed below. Of the two members in each category, one shall be appointed solely by the Board of Supervisors and another one shall be appointed solely by the County Superintendent of Schools. Every effort should be made by the appointing agencies to assure that the ethnic, racial, and geographic composition of the MCCCC is reflective of the population of the county.

1. **20% Consumers (2 members)** — a parent or person who receives, or who has received within the past 36 months, child care services.

2. **20% Child Care and Development Providers (2 members)** — a person who provides child care services or represents persons who provide child care services.
3. **20% Public Agency Representatives (2 members)** — a person who represents a city, county, city and county, or local education agency.
4. **20% Community Representatives (2 members)** — a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community-based organizations but is not a child care providers and does not represent an agency that contracts with CDE to provide child care and development services.
5. **20% at the Discretion of the County Board of Supervisors and County Superintendent of Schools (2 members)** — are to be appointed from any of the above categories or outside of these categories at the discretion of the appointing agencies.

Section 2. Terms of Appointments

The term for a Council Membership is two years from appointment date. No term limit will be set.

~~The membership year begins January 1st and ends December 31st.~~

Commented [QB3]: Remove

Section 3. Vacancies

The Council shall comply with the system for new appointments, resignations and replacements specified by the Mono County Board of Supervisors and County Superintendent of Schools. The Council shall then vote on nominees to forward to the Board of Supervisors and County Superintendent of Schools for appointment to the Planning Council. The vacancy shall be filled by the respective agency (BOS or CSS) with authority for appointing that member.

Section 4. Resignation

Any member may resign by giving written notice to the Chair. Any such resignation shall take effect at the date of the receipt of such notice or any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Removal

If a member is absent for (3) consecutive or five (5) meetings in a fiscal year, the member may be asked to resign by the Chair.

ARTICLE IV

VOTING

Section 1. Voting Requirements and Procedures

Each member of the Council shall have one vote. Each member must be present in person to vote and no proxies are to be recognized. However, correspondence germane to the Agenda from excused absent members is to be read and considered as part of the discussion.

Section 2. Quorum

A quorum for the transaction of official business shall consist of a majority of the General Membership.

**ARTICLE V
MEETINGS**

Section 1. Regular Meetings of the Council

All meetings of the Council shall be open to the public in compliance with the California State Open Meetings Law (the Brown Act). A minimum of four meetings per year shall be held.

Section 2. Attendance at Meetings

Members of the Council shall be present at the hour appointed for each regular meeting of the Council unless excused.

Section 3. Order of Business

Time will be allotted at each General Membership meeting for public comment. Council members wishing to present speakers at meetings should consult with the Coordinator at least 7 days prior to the next scheduled meeting.

**ARTICLE VI
LIAISONS, OFFICERS AND STAFF**

Section 1. Liaisons

The Board of Supervisors and the Superintendent of Schools shall have the right, in their discretion, to designate one or more representatives or "liaisons" to attend and participate in Council meetings (other than closed sessions held under the Brown Act, if any). Such persons are not Council members and therefore, among other things, shall not be counted for purposes of a quorum nor may they vote. But they shall be allowed to participate in Council discussions to the same extent as Council members.

Section 2. Officers

The officers of the Council shall consist of a Chair, Vice Chair and Secretary. These officers shall be selected by majority vote from the membership present at the January meeting of the Council year and shall serve for one calendar year. Officers may be re-elected. The Chair will preside over meetings of the council. In the absence of the Chair, the Vice-Chair will preside over meetings of the council.

~~The Secretary will record the meeting minutes. It shall be the duty of the Coordinator to call meetings, prepare the agenda, and provide legal notice of meetings.~~

Commented [QB4]: Remove

Section 3. Staff

It shall be the duty of the Child Care Coordinator to provide notices of any meetings to council members maintain a record of Council membership, and attendance at Council meetings, record minutes of all Council meetings and provide notice of all meetings.

Commented [QB5]: Replace: It shall be the duty of the Coordinator to provide notices of any meetings to Council members, prepare meeting agendas in coordination with the Chair, provide legal notice of meetings, maintain a record of Council membership and attendance at Council meetings, and record the meeting minutes.

**ARTICLE VII
COMMITTEES**

Section 1. Committees

The Council may establish additional committees on either a permanent (standing) or temporary (ad hoc) basis to address child care and development issues and concerns. The Council shall review the scope and purpose of these committees at least annually.

Section 2. Executive Committee

The Executive Committee shall consist of Chair, Vice Chair, Coordinator, and 2 other members selected by MCCCC. The duties of the Executive Committee are to provide leadership, financial oversight and policy recommendations to the Council. The Executive Committee will meet prior to MCCCC meetings to approve the agenda.

Commented [QB6]: Remove

**ARTICLE VIII
FINANCIAL SUPPORT**

Section 1. Financial Support

Council members shall serve without compensation except for the reimbursement of approved actual and necessary travel costs. Council members may seek reimbursements for travel to and from regular meetings and for costs incurred to care for children while attending these meetings. Receipts for actual child care costs must be provided and mileage will be reimbursed at the current federal reimbursement rate using official reimbursement forms of the Mono County Office of Education.

Commented [QB7]: Replace: Inyo Mono Advocates for Community Action, Inc. (IMACA).

**ARTICLE IX
CONFLICTS OF INTEREST**

Section 1. Conflicts of Interest Code

No member of a local planning council shall participate in Council decision-making if he or she has a financial interest that would constitute a conflict of interest for purposes of state law, including Government Code Section 1090 and the Political Reform Act (Government Code section 81000, et seq.) The Fair Political Practices Commission has adopted a standard set of regulations, which include the terms of a model Conflict of Interest Code that may be adopted by local agencies. (See CCR, Title 2, Sec. 18730.) The Council may adopt a conflict of interest code for itself based on that model code.

Section 2. Ethical Conduct

Unethical conduct by members of the Council includes behavior that violates the mission statement of the Mono County Child Care Council and will be referred to the Board of Supervisors, County Superintendent, or other appropriate authorities as stipulated in the procedures of the Council.

ARTICLE X
AMENDMENT TO BY-LAWS

Section 1. Amendment to By-Laws

Changes and/or suspension to the By-Laws shall be by motion and shall require an affirmative, recorded vote of the members of the Council. When adopted, such changes/suspensions shall be recommended to the Mono County Board of Supervisors and County Superintendent of Schools for their review and approval.

Adopted:

Mono County Child Care Council Motion was carried by MCCCC to adopt revisions to By-Laws on January 10, 2013. The By-Laws herein are approved. Should any conflict arise between these By-Laws or any provision thereof and the AB1542 guidelines or any provision thereof, the AB1542. Guidelines shall prevail regardless of the present approval.

Commented [QB8]: Add: Motion was carried by MCCCC to adopt revisions to By-Laws on September 20, 2018. The By-Laws herein are approved. Should any conflict arise between these By-Laws or any provision thereof and the AB1542 guidelines or any provision thereof, the AB1542. Guidelines shall prevail regardless of the present approval.

_____	_____
MCCCC Chairperson	Date
_____	_____
Mono County Board of Supervisors	Date
_____	_____
Mono County Superintendent of Schools	Date



OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Public Works

TIME REQUIRED

SUBJECT Adoption of Proposed Amendment to
Mono County Code Section
12.10.021 Exemptions from Solid
Waste Franchise Agreement

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Proposed ordinance amending Chapter 12.02, Section 12.02.020 and chapter 12.10, Section 12.10.021 of the Mono County Code to revise the definition of "Construction and Demolition Waste" and eliminate the provision exempting from the solid waste Franchise requirement persons that collect, transport, and dispose of construction and demolition waste.

RECOMMENDED ACTION:

Adopt proposed ordinance ORD18-___, Amending Chapter 12.02, Section 12.02.020 and chapter 12.10, Section 12.10.021 of the Mono County Code to revise the definition of "Construction and Demolition Waste" and eliminate the provision exempting from the solid waste Franchise requirement persons that collect, transport, and dispose of construction and demolition waste.

FISCAL IMPACT:

If the revision to the Mono County Code provisions relating to certain exemptions afforded to the collection, handling, and disposal of construction and demolition waste (C&D Waste) is approved, then there may be an increase in revenue to the Solid Waste Enterprise Fund from the payment of additional tipping fees and export fees by solid waste franchisees to the County.

CONTACT NAME: Justin Nalder

PHONE/EMAIL: 760-932-5453 / jnalder@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download

[Staff report - C&D Waste Exemption - 2nd Reading](#)

[Ordinance Amending C&D Waste Exemption](#)

- | |
|--|
| Exhibit A to Ordinance 12.02.020 - Definitions |
| Exhibit B to Ordinance 12.10.021 - Exempt solid waste handling |
| Minute Order M18-181 |

History

Time	Who	Approval
11/8/2018 6:49 AM	County Administrative Office	Yes
11/7/2018 11:57 AM	County Counsel	Yes
11/6/2018 4:27 PM	Finance	Yes



MONO COUNTY DEPARTMENT OF PUBLIC WORKS SOLID WASTE DIVISION

POST OFFICE BOX 457 • 74 NORTH SCHOOL STREET • BRIDGEPORT, CALIFORNIA 93517
760.932.5440 • FAX 760.932.5441 • monopw@mono.ca.gov • www.monocounty.ca.gov

To: Honorable Chair and Members of the Board of Supervisors
From: Justin Nalder, Solid Waste Superintendent
Date: November 13, 2018
Subject: 2nd Reading of Proposed Amendment to Mono County Code Section 12.10.021 Exemptions from Solid Waste Franchise Agreement

Recommended Action:

Adopt proposed ordinance.

Fiscal Impact:

Potential increase in revenue to the Solid Waste Enterprise Fund of \$10,000 per year.

Discussion:

Mono County Code, Title 12-Solid Waste, establishes various requirements for Solid Waste Handling and Solid Waste Facilities within the County, including the requirement that businesses and individuals who engage in certain activities obtain a “Franchise” to conduct business within the County. Most recently, the Board approved such Franchise Agreements.

In 2011, for a variety of reasons, Title 12 was amended to exempt Construction and Demolition (C&D) waste hauling from these franchise requirements. In doing so, hauling firms that do not haul municipal solid waste (such as Construction Specialty, Rock and Dirt and Villar Construction) could haul C&D waste from job sites without obtaining a franchise.

The change has had unintended consequences, however, as out-of-area contractors have been able to enter Mono County and haul C&D waste, as well as Franchisees hauling C&D and interpreting the change to mean that the waste is ‘exempt’ from the Franchise requirements, and therefore not subject to Franchise consideration, or capacity fees. Also, the change has reduced the County’s ability to manage C&D waste, and develop associated recycling programs, in a way the County deems appropriate.

The current Section 12.10.021 (A)(3) exempts from the franchise/franchise agreement requirement “[p]ersons who collect, transport, and dispose of construction and demolition waste.”

The proposed ordinance would amend the Mono County Code to re-define C&D Waste to reduce the impacts of the change to hauling companies, while achieving other related goals. The proposed ordinance would amend the definition of “construction and demolition waste” provided in Section 12.02.020 to exclude the terms “rubble” and “pavements” so that the solid waste franchise/franchise agreement requirement applies to waste related to vertical construction, but not inert concrete waste (foundations), nor road and pavement construction – all of which can be recycled. Accordingly, contractors collecting, handling, and disposing of waste from road construction project would be exempt from the franchise/franchise agreement requirement.

In preparing the revision, the County investigated the amount of C&D waste currently hauled by the above local companies to determine potential impacts to their business. The result is THIS

After the first reading of the proposed ordinance on October 2, 2018, further outreach was conducted to potentially affected parties (i.e. members of the Mammoth Lakes Contractors Association). Only two entities expressed concern about the proposed amendment, D&S Waste, Inc. and Construction Specialty. The major concern with regard to projects that had a likelihood of exceed hauling limitations of the Franchisees due to their smaller equipment. These heavy loads usually contain inert materials like soil, rocks, concrete, rubble and pavements which would be excluded from the Construction and Demolition Waste definition of 12.02.020, (Exhibit A), if this proposed amendment is approved. Additionally, the Franchise Agreement allows for Franchisees to Subcontract for goods or services that do not comprise Franchise Services or the provision of Carts and Containers. After thorough review of the proposed changes, much of the concern appears to have subsided.

The matter was also discussed in depth before the Solid Waste Task Force on October 17, 2018.

If you have any questions regarding this item, please contact me at (760) 932-5453 or jnalder@mono.ca.gov.

Respectfully submitted,



Justin Nalder
Solid Waste Superintendent

Attachment: Ordinance No.18-__ : AN ORDINANCE OF THE MONO COUNTY BOARD OF SUPERVISORS AMENDING CHAPTER 12.02, SECTION 12.02.020 AND CHAPTER 12.10, SECTION 12.10.021 OF THE MONO COUNTY CODE TO REVISE THE DEFINITION OF "CONSTRUCTION AND DEMOLITION WASTE" AND ELIMINATE THE PROVISION EXEMPTING FROM THE SOLID WASTE FRANCHISE REQUIREMENT PERSONS THAT COLLECT, TRANSPORT, AND DISPOSE OF CONSTRUCTION AND DEMOLITION WASTE



ORDINANCE NO. 18 - __

**AN ORDINANCE OF THE MONO COUNTY BOARD OF SUPERVISORS
AMENDING CHAPTER 12.02, SECTION 12.02.020 AND CHAPTER 12.10, SECTION
12.10.021 OF THE MONO COUNTY CODE TO REVISE THE DEFINITION OF
“CONSTRUCTION AND DEMOLITION WASTE” AND ELIMINATE THE
PROVISION EXEMPTING FROM THE SOLID WASTE FRANCHISE
REQUIREMENT PERSONS THAT COLLECT, TRANSPORT, AND DISPOSE OF
CONSTRUCTION AND DEMOLITION WASTE**

WHEREAS, Mono County Code, Chapter 12.02, Section 12.02.020¹ defines “solid waste” to mean and include, among other things, “construction and demolition waste”; and

WHEREAS, Chapter 12.02, Section 12.02.020 defines “construction and demolition waste” to mean “used or discarded construction materials, packaging, and rubble resulting from construction, renovation, remodeling, repair, and demolition operations on pavements, houses, commercial buildings and other structures”; and

WHEREAS, Chapter 12.10, Section 12.10.020 prohibits all persons from engaging in solid waste handling activities in the unincorporated area of the county unless the County has granted that person a franchise and entered into a franchise agreement with that person to perform such activities; and

WHEREAS, Chapter 12.10, Section 12.10.021(A)(3) provides that “[p]ersons who collect, transport, and dispose of construction and demolition waste” are exempt from the prohibition of Chapter 12.10, Section 12.10.020, and accordingly may engage in the collection, transport, and disposal of construction and demolition waste in the unincorporated area of the county without being granted a franchise and entering into a franchise agreement with the County; and

WHEREAS, the County has granted franchises and entered into franchise agreements with two solid waste enterprises (hereinafter, “Franchisees”) pursuant to Chapter 12.10, Section 12.10.020 to provide solid waste handling services in the unincorporated area of the county; and

WHEREAS, those franchise agreements require Franchisees to dispose of solid waste, including construction and demolition waste, handled and collected in the unincorporated area of the county at the Benton Crossing Landfill so that the County may collect certain fees (i.e., “tipping fees” and “gate fees”) to ensure the financial sustainability of its solid waste management program and infrastructure; and

¹ Hereinafter, all “chapter, section” references are to the Mono County Code.

1 **WHEREAS**, the franchise agreements allow Franchisees that collect solid waste,
2 including construction and demolition waste, generated in areas north of the junction of
3 Highways 395 and 108 (hereinafter, “Sonora Junction”) to divert it from the Benton Crossing
4 Landfill *so long as* the Franchisees pay a “capacity fee” for each load of solid waste so diverted;
5 and

6 **WHEREAS**, one Franchisee has not paid the capacity fee required by the franchise
7 agreement for the collection and diversion of construction and demolition waste generated in
8 areas north of the junction of Sonora Junction from Benton Crossing Landfill in reliance on the
9 exemption provided in Chapter 12.10, Section 12.10.021(A)(3); and

10 **WHEREAS**, other persons that are not Franchisees that collect and dispose of waste
11 related to the construction and refurbishment of roads and highways have collected and disposed
12 of solid waste at locations other than Benton Crossing Landfill but not paid the required capacity
13 and Franchise fees in reliance on the exemption provided in Chapter 12.10, Section
14 12.10.021(A)(3); and

15 **WHEREAS**, the Mono County Board of Supervisors wishes to revise the definition of
16 “construction and demolition waste” provided in Chapter 12.02, Section 12.02.020 to clarify that
17 “construction and demolition waste” means and includes only waste generated from the
18 construction and demolition of vertical structures and does not include waste generated from the
19 construction or refurbishment of roads and highways; and

20 **WHEREAS**, the Mono County Board of Supervisors wishes to delete Chapter 12.10,
21 Section 12.10.021(A)(3) to eliminate the exemption for “[p]ersons who collect, transport, and
22 dispose of construction and demolition waste” so as to clarify that the collection and disposal of
23 construction and demolition waste by Franchisees is subject to the franchise agreements entered
24 into by and between the County and the Franchisees and ensure that such waste is safely
25 handled, properly reported, and that the County’s solid waste management programs remains
26 financially secure.

27 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
28 **MONO ORDAINS** as follows:

29 **SECTION ONE:** Section 12.02.020 of Chapter 12.02 of the Mono County is hereby
30 amended as set forth in Exhibit A attached hereto and incorporated herein by this reference.

31 **SECTION TWO:** Subsection (A) of Section 12.10.021 of Chapter 12.10 of the Mono
32 County Code is hereby amended as set forth in Exhibit B attached hereto and incorporated herein
by this reference.

SECTION THREE: This ordinance shall become effective 30 days from the date of its
adoption and final passage, which appears immediately below. The Clerk of the Board of
Supervisors shall post this ordinance and also publish it in the manner prescribed by Government
Code Section 25124 no later than 15 days after the date of its adoption and final passage. If the
Clerk fails to publish this ordinance within said 15-day period, then the ordinance shall not take
effect until 30 days after the date of publication.

1 **PASSED, APPROVED, AND ADOPTED** this _____ day of _____, 2018,
2 by the following vote, to wit:

3 **AYES:**

4 **NOES:**

5 **ABSENT:**

6 **ABSTAIN:**
7
8

9 _____
10 Bob Gardner, Chair
11 Mono County Board of Supervisors

12
13 **ATTEST:**

14 **APPROVED AS TO FORM:**

15 _____
16 Clerk of the Board

17 _____
18 County Counsel

EXHIBIT A

12.02.020 - Definitions.

"Board" means the board of supervisors of the county of Mono.

"Collection" or "collecting" means the gathering together of solid waste at the place of generation and transporting it to the point of disposal or processing.

"Commercial" or "commercial premise" means a premise where business activity is conducted, including, but not limited to, offices, retail sales, services, institutions, wholesale operations, food service, manufacturing and industrial operations, public property and facilities, but excluding, businesses conducted upon residential premises that are permitted under applicable zoning regulations and are not the primary use of the property.

"Commercial solid waste" means solid waste, excluding construction and demolition waste, generated at a commercial premise.

"Construction and demolition waste" means used or discarded construction materials, ~~and~~ packaging, ~~and rubble~~ resulting from construction, renovation, remodeling, repair, and demolition operations ~~on pavements, of~~ houses, commercial buildings, and other structures.

"County" means the county of Mono, a political subdivision of the state of California.

"County solid waste facilities" means those solid waste facilities within the county which are owned or operated by the county of Mono or its contractor or designee.

"Department" means the Mono County Department of Public Works.

"Director" means the director of the Mono County Department of Public Works or his or her authorized representative.

"Disposal site" means "disposal site" as defined in Public Resources Code Section 40122.

"Franchise" means a franchise issued under the provisions of this title.

"Franchise agreement" or "franchise agreements" means a primary, secondary and/or a facility franchise agreement issued under the provisions of this title.

"Facility franchise agreement" means "facility franchise agreement" as defined in Section 12.10.020(D) of this title.

"Franchisee" means a person holding a valid franchise issued pursuant to this title.

"Landfill" means "solid waste landfill" as defined in Public Resources Code Section 40195.1.

"Local enforcement agency" means the Environmental Health Division of the Mono County Health and Human Services Agency.

"Owner" means the person shown on the last equalized assessment roll of the county or other such records of the county assessor or tax collector, whichever contains more recent information.

"Permitted disposal site" means a disposal site that is permitted in accordance with all federal, state and local laws for disposal of solid waste or that is exempted from permitting in accordance with those laws.

"Person" means an individual, firm, limited liability company, association, partnership, industry, public or private corporation, municipal, local government entity, institution, organization, political subdivision, or any other entity. Person does not include the county of Mono.

"Premises" means a tract or parcel of land with or without habitable buildings or appurtenant structures.

"Primary franchise" means "primary franchise" as defined in Section 12.10.020(B) of this title.

"Primary franchisee" means "primary franchisee" as defined in Section 12.10.020(B) of this title.

"Recyclable materials" or "recyclables" means materials that have been separated from the nonrecyclable portion of the solid waste stream prior to disposal for the purpose of creating raw materials from which new products will be made or for the purpose of reusing them as a used or reconstituted product.

"Recycle" or "recycling" means "recycle" or "recycling" as defined in Public Resources Code Section 40180.

"Regulatory agency" means any federal, state or local governmental agency that regulates the collection, management, transportation, and disposal of solid waste (including, but not limited to, the California Integrated Waste Management Board, the Regional Water Quality Control Board, the California Department of Toxic Substances Control, the California Department of Transportation, the California Department of Motor Vehicles, the Mono County Department of Public Works, and the Environmental Health Division of the Mono County Health and Human Services Agency).

"Residential" or "residential premise" means a premise where individuals dwell or reside, regardless of whether they rent or own and occupy their dwelling or residence. "Residential premises" does not include transient occupancies. No place used primarily for business purposes shall be considered residential.

"Residential solid waste" means solid waste, excluding construction and demolition waste, generated at a residential premise.

"Secondary franchise" means "secondary franchise" as defined in Section 12.10.020(C) of this title.

"Secondary franchisee" means "secondary franchisee" as defined in Section 12.10.020(C) of this title.

"Solid waste" means "solid waste" as defined in Public Resources Code Section 40191, except that "solid waste" does not include abandoned vehicles and parts thereof or dewatered, treated, or chemically fixed sewage sludge.

"Solid waste disposal" or "dispose" means "solid waste disposal" as defined in Public Resources Code Section 40192(c).

"Solid waste enterprise" means "solid waste enterprise" as defined in Public Resources Code Section 40193 (i.e., any individual, partnerships, joint venture, unincorporated private organization, or private corporation, which is regularly engaged in the business of providing solid waste handling services).

"Solid waste facility" means "solid waste facility" as defined in Public Resources Code Section 40194.

"Solid waste handling" or "handling" (or other form thereof) means:

1. "Solid waste handling" or "handling" as defined in Public Resources Code Section 40195 (i.e., the collection, transportation, storage, transfer, or processing of solid wastes) and solid waste disposal by a solid waste enterprise defined in Section 40193 of the Public Resources Code, such as residential or commercial refuse collection in packer-type vehicles by haulers whose core business is refuse collection or the small-scale collection and disposal of residential or commercial solid waste in any type of truck, trailer or vehicle; and
2. The development and operation of solid waste facilities.

"Source separated" means "segregated from other waste material" as defined in Public Resources Code Section 40190.

"Transfer station" means "transfer or processing station" as defined in Public Resources Code Section 30200.

"Unpermitted waste" means materials that are not solid waste such as:

1. "Hazardous waste" (as defined in Public Resources Code Section 40141), including:
 - a. Hazardous wastes that are "universal waste" (as defined and listed, respectively, in 22 CCR § 66723.9 and § 66261.9, such as batteries, thermostats, lamps, cathode ray tubes, computers, telephones, answering machines, radios, stereo equipment, tape players/recorders, phonographs, video cassette players/recorders, compact disc players/recorders, calculators, some

appliances, aerosol cans and certain mercury-containing devices) exempt from the hazardous waste management requirements of Chapter 6.5 of Division 20 of the California Health and Safety Code and subject to the universal waste management requirements of Chapter 23 of Division 20 of the California Health and Safety Code, and

- b. Household hazardous wastes that result from products purchased by the general public for household use which, because of their quantity, concentration, physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed of or otherwise managed;
2. "Medical waste" regulated pursuant to the Medical Waste Management Act (Part 14 (commencing with Section 117600) of Part 9 of Division 104 of the Health and Safety Code);
3. Radioactive waste;
4. Waste tires in excess of the limitations prescribed in 14 CCR 17355(b) or reduced in volume as required in 14 CCR 17355(A); and
5. Any other materials that cannot be disposed of in class III sanitary landfills described in 27 CCR 20260.

"Yard waste" means any wastes generated from the maintenance or alteration of public, commercial, or residential landscape including, but not limited to, yard clippings, leaves, tree trimmings, prunings, brush and weeds.

EXHIBIT B

12.10.021 - Exempt solid waste handling.

A. Exemptions. The following persons shall be authorized to handle solid waste in the unincorporated area of the county without a franchise:

1. Persons transporting and disposing of solid waste generated on their own premises (i.e., "self-haulers").
2. Persons transporting and disposing of solid waste generated incidentally to and as a by-product of their business, such as contractors who haul away construction or demolition waste or landscape contractors who remove yard waste generated at their project site. This exemption shall not apply to persons transporting and disposing of solid waste generated incidentally to and as a by-product of their business where the sole business service provided by such persons is the collection and/or clean-up of solid waste on the premises.
- ~~3. Persons who collect, transport, and dispose of construction and demolition waste.~~
43. Persons having entered into a contract with the state of California, or an agency thereof, or with any agency or entity exempt by law from compliance with local franchise requirements, for the collection, transportation and disposal of solid waste, when those persons collect, transport and dispose of solid waste on or from any facility operated by the state or other exempt entity.
- ~~54.~~ Persons collecting, transporting, storing, transferring, processing or disposing of unpermitted wastes in accordance with all state, federal and local laws and regulations, unless commingled in solid waste, in which case they are subject to [Section 12.10.020](#) of this chapter.
- ~~65.~~ Persons collecting, transporting, storing, and recycling source separated recyclables.
- ~~76.~~ Persons providing solid waste handling services pursuant to agreement with Mono County, unless the agreement requires that the services be provided pursuant to a franchise.
- ~~87.~~ Persons providing solid waste handling comprised solely of transportation through unincorporated areas of the county, without collecting, storing, or disposing of solid waste within the unincorporated areas of the county.

B. Permit Requirement. Nothing in this section shall exempt a person providing solid waste handling services from obtaining a permit to provide such services or from obtaining a permit to develop or operate a solid waste facility, as required by [Chapter 12.08](#) of this title.

**BOARD OF SUPERVISORS
COUNTY OF MONO
P.O. BOX 715, BRIDGEPORT, CA 93517**

*Shannon Kendall
760-932-5533
skendall@mono.ca.gov
Clerk of the Board*

**REGULAR MEETING of
August 21, 2018**

*Helen Nunn
760-932-5534
hnunn@mono.ca.gov
Assistant Clerk of the Board*

**MINUTE ORDER
M18-181
Agenda Item #11e**

TO: Public Works – Solid Waste

**SUBJECT: Proposed Amendment to Mono County Code Section
12.10.021 - Exemptions to Solid Waste Handling
Requirements**

Introduce, read title, and waive further reading of proposed ordinance amending Mono County Code Section 12.10.021 – Exemptions to Solid Waste Handling Requirements.

Corless moved; Gardner seconded

Vote: 4 yes; 1 no

M18-181



OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Behavioral Health

TIME REQUIRED 1 hour

PERSONS APPEARING BEFORE THE BOARD Amanda Greenberg and Stacey Simon

SUBJECT Sale of County-Owned Real Property
(APN 031-070-011)

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Consideration of proposals to purchase county-owned surplus real property located at 71 Davison Road in Mammoth Lakes (the "Property") in "as is" condition and in accordance with the Resolution of Intention to Sell the Property (R18-66) adopted by the Board on October 16, 2018.

RECOMMENDED ACTION:

Part I: (1) Open, examine and declare all proposals to purchase the Property; (2) From among the market-rate proposals received, determine the highest bid from a responsible bidder which conforms to the terms and conditions of R18-66; (3) Call for oral bids to purchase the Property at market rate which conform to the terms and conditions of R18-66 and are for a price which is at least 5 percent higher than the highest written proposal; (4) If a conforming oral bid is made, call for additional oral bids to purchase the property at market rate, which bids must be at least \$1,000 higher than the prior oral bid; and (5) Direct Clerk to record all conforming bids, in order from highest to lowest, in Exhibit "A" to the resolution presented for adoption today.

Part II: Market Rate Sale Option: Adopt proposed resolution accepting the highest written or oral bid to purchase the Property at market rate which is made by a responsible bidder and which conforms to the terms and conditions of Resolution R18-66, or the next-highest bid should the sale fail to close and so on until a sale is finalized, and authorizing the Chair's signature on California Association of Realtors purchase and sale agreement, escrow instructions, grant deed and such other documents as may be necessary to finalize the sale; or

Below-Market Sale for Affordable Housing Option: (1) Determine that it is in the County's best interests for the Property to be sold at less than fair-market-value for the purpose of providing housing affordable to persons or families of low or moderate income in accordance with the requirements of Government Code section 25539.4; (2) Reject all market-rate proposals to purchase the Property; (3) From among the proposals to develop the Property as affordable housing, identify the preferred proposal(s) and direct staff to return to the Board with such documentation as is necessary to effectuate the sale of the Property for deed-restricted affordable housing in compliance with section 25539.4.

FISCAL IMPACT:

Of the total proceeds of the sale, 87 percent will return to Mono County Behavioral Health and 13 percent will return to the Mono County General Fund.

CONTACT NAME: Amanda Greenberg

PHONE/EMAIL: 760-924-1754 / agreenberg@mono.ca.gov

SEND COPIES TO:

agreenberg@mono.ca.gov

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
<input type="checkbox"/> Staff report
<input type="checkbox"/> Propoed Resolution
<input type="checkbox"/> Resolution R18-66

History

Time	Who	Approval
11/1/2018 2:57 PM	County Administrative Office	Yes
11/8/2018 3:09 PM	County Counsel	Yes
11/8/2018 6:12 AM	Finance	Yes



MONO COUNTY BEHAVIORAL HEALTH DEPARTMENT

COUNTY OF MONO

P. O. BOX 2619 MAMMOTH LAKES, CA 93546 (760) 924-1740 FAX: (760) 924-1741

TO: Mono County Board of Supervisors

FROM: Amanda Greenberg, Mono County Behavioral Health, Mental Health Services Act Coordinator

DATE: November 13, 2018

SUBJECT:

Consideration of Bids to purchase County-Owned Surplus Real Property located at 71 Davison Road in Mammoth Lakes (APN 031-070-011).

RECOMMENDED ACTION

Part I: (1) Open, examine and declare all proposals to purchase the Property; (2) From among the market-rate proposals received, determine the highest bid from a responsible bidder which conforms to the terms and conditions of R18-66; (3) Call for oral bids to purchase the Property at market rate which conform to the terms and conditions of R18-66 and are for a price which is at least 5 percent higher than the highest written proposal; (4) If a conforming oral bid is made, call for additional oral bids to purchase the property at market rate, which bids must be at least \$1,000 higher than the prior oral bid; and (5) Direct Clerk to record said bid and all other conforming bids, from highest to lowest, in Exhibit "A" to the resolution presented for adoption today.

Part II:

Market Rate Sale Option: Adopt proposed resolution accepting the highest written or oral bid to purchase the Property at market rate which is made by a responsible bidder and which conforms to the terms and conditions of Resolution R18-66 and authorizing the Chair's signature on a purchase and sale agreement, escrow instructions, grant deed and any other document necessary to finalize the sale; or

Below-Market Sale for Affordable Housing Option: (1) Determine that it is in the County's best interests for the Property to be sold at less than fair-market-value for the purpose of providing housing affordable to persons or families of low or moderate income in accordance with the requirements of Government Code section 25539.4; (2) Reject all market-rate proposals to purchase the Property; (3) From among the proposals to develop the Property as affordable housing, identify the preferred proposal(s) and direct staff to return to the Board with such documentation as is necessary to effectuate the sale of the Property for deed-restricted affordable housing in compliance with section 25539.4.

DISCUSSION:

The Davison House, which is located at 71 Davison Road in the Town of Mammoth Lakes, was purchased by Mono County Behavioral Health (MCBH) and the Mono County General Fund in 1997. The property functioned as a sober living and transitional housing facility until 2011 when the property was put up for sale; however, the property did not sell, and it has been vacant since that time.

In 2016, MCBH re-started its efforts re-open the Davison House as a permanent supportive housing facility for clients. After much work by County employees, as well external architects and engineers, it was determined that the cost to renovate the Davison House was too great, and that the property should be sold.

On October 16, 2018, the Mono County Board of Supervisors approved Resolution 18-66, which declared the Board's intention to sell the property located at 71 Davison Road in Mammoth Lakes. This resolution outlines the terms of the sale, including the minimum bid, which is \$150,000. However, the Resolution states that the Board may consider bids below the minimum if the property would be enforceably restricted for the purpose of developing housing affordable to persons or families of low or moderate income.

The resolution in your agenda packet should only be adopted by the Board if it determines to sell the property at market rate without affordability restrictions. In such event, the resolution accepts the highest oral or written bid received and authorizes the Chair of the Board to execute any necessary documents to effectuate the sale. The resolution further provides that if the sale should fail to close, then the next-highest bid is accepted, and the Chair authorized to execute all necessary documents, and so on, until a sale is finalized.

Alternatively, the Board may reject all bids and direct staff to work with one or more of the persons or entities submitting a proposal to develop the property for affordable housing and return with documents to effectuate such sale and enforceable restriction.

FISCAL IMPACT:

Mono County purchased the Davison House with funds from MCBH (87 percent) and the County General Fund (13 percent). Therefore, 13 percent of the proceeds of the sale of the property may be returned to the County General Fund, where the Mono County Board of Supervisors may determine its future use. MCBH intends to use its proceeds of the sale for other housing projects.

SUBMITTED BY:

Amanda Greenberg, Mono County Behavioral Health Mental Health Services Act Coordinator, Contact: 760.924.1754



R18-__

**A RESOLUTION OF THE MONO COUNTY
BOARD OF SUPERVISORS ACCEPTING THE HIGHEST
WRITTEN OR ORAL BID TO PURCHASE COUNTY-OWNED
PROPERTY LOCATED AT 71 DAVISON ROAD
IN MAMMOTH LAKES, CALIFORNIA (APN 031-070-011)**

WHEREAS, on October 16, 2018, the Board of Supervisors adopted Resolution R18-66 declaring its intention to sell certain County-owned surplus property located at 71 Davison Road in Mammoth Lakes (APN 031-070-011) (the "Property") and specifying the terms and conditions of sale; and

WHEREAS, notice of the proposed sale was posted and published as required by law, the time period for submission of written bids closed at 9:00 am on Tuesday, November 13, 2018; and

WHEREAS, at its regular meeting on November 13, 2018, the Board of Supervisors opened and declared all written bids to purchase the Property, called for oral bids and determined the highest bid from a responsible bidder meeting the requirements of R18-66, and determined all remaining qualified bids from highest to lowest; and

WHEREAS, the Board of Supervisors now wishes to accept the highest bid received and, in the event a sale to the highest bidder is not ultimately consummated, accept the next highest conforming bid, or the next thereafter, until the sale is finalized;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF MONO RESOLVES that:

SECTION ONE: The highest bid made by a responsible bidder and received by the Board of Supervisors which complies with Resolution R18-66, is hereby accepted by the Board and listed as the highest bid on Exhibit "A" which, upon completion by the Clerk, shall be attached hereto and incorporated by this reference.

SECTION TWO: The Chair of the Board is authorized to execute any and all documents necessary to effectuate sale to the highest bidder including, but not limited to: a California Association of Realtors standard purchase agreement, disclosures, escrow instructions and grant deed.

SECTION THREE: In the event a sale to the highest bidder does not close within the time provided for by R18-66, then the next-highest bid from among the remaining qualified bids, as set forth in Exhibit "A" (to be listed by the Clerk in order from highest bid to lowest) shall be deemed accepted by the Board, and the Chair of the Board is authorized to execute any and all documents necessary to effectuate the sale, provided the bidder remains willing to purchase the

1 Property. If a sale to the next-highest bidder should also fail to close, then the acceptance and
2 authorization process described in this Section Three shall apply to the next highest bid and, to
3 each subsequent bid thereafter, in order from highest to lowest, until a sale of the Property is
4 finalized.

5 **PASSED, APPROVED and ADOPTED** this 13th day of November 2018, by the
6 following vote, to wit:

7 **AYES:**

8 **NOES:**

9 **ABSENT:**

10 **ABSTAIN:**

11
12
13 _____
14 Bob Gardner, Chair
15 Mono County Board of Supervisors

16 **ATTEST:**

17 **APPROVED AS TO FORM:**

18 _____
19 Clerk of the Board

20 _____
21 County Counsel

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EXHIBIT "A"

Highest bid:

1. Bid amount: _____

Buyer: _____

Remaining bids (in order from highest to lowest):

2. Bid amount: _____

Buyer: _____

3. Bid amount: _____

Buyer: _____

4. Bid amount: _____

Buyer: _____

5. Bid amount: _____

Buyer: _____



R18-66

**RESOLUTION OF THE MONO COUNTY
BOARD OF SUPERVISORS DECLARING
ITS INTENTION TO SELL CERTAIN COUNTY-OWNED
SURPLUS REAL PROPERTY (APN 031-070-011),
SPECIFYING THE TERMS AND CONDITIONS OF THE SALE
AND SUPERSEDING AND REPLACING RESOLUTION R18-61**

WHEREAS, the County of Mono owns certain real property located at 71 Davison Street in the Town of Mammoth Lakes, more particularly described as Assessor's Parcel Number 031-070-011 and by the Exhibit attached hereto (the "Davison Property"), which is not needed for County purposes now or in the future and which the Board of Supervisors wishes to sell; and

WHEREAS, the Davison Property is not in an area of statewide, regional or areawide concern identified in the California Environmental Quality Act (CEQA) Guidelines § 15206(b)(4) and therefore the sale is exempt from CEQA review under CEQA Guidelines § 15312 (Class 12) and there is no exception applicable to the exemption; and

WHEREAS, the Board wishes to invite and consider bids pursuant to the process for sale of surplus property described in Government Code section 25520 et seq.;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF MONO RESOLVES that:

SECTION ONE: The statements set forth above are hereby adopted as findings of the Board of Supervisors.

SECTION TWO: Pursuant to Government Code section 25526, by a two-thirds vote of all its members, the Board hereby declares its intention to sell certain real property owned by the County which is located at 71 Davison Street in the Town of Mammoth Lakes and described by Assessor's Parcel Number 031-070-011 and by the Exhibit attached hereto (the "Davison Property").

SECTION THREE: The information contained in this Resolution shall be posted and published in the manner required by law, and shall constitute the notice of the offer of the Davison Property for sale, on the following terms and conditions:

1. Bids are to be made in writing and must be received on or before 9:00 a.m. on Tuesday November 13, 2018. Bids must be in a sealed enveloped marked "Davison Property Bid" for market-rate bids or "Davison Affordable Housing Bid" for proposals to develop the property as affordable housing under Government Code

1 section 25539.4 and paragraph 5 of this Resolution. Bids shall be mailed or delivered
2 in another envelope addressed to the Clerk of the Board of Supervisors, Courthouse
Annex I, P.O. Box 715, Bridgeport, CA 93517.

- 3
- 4 2. Bids must be signed by the person or entity on whose behalf it is submitted and shall
5 include the name of the broker, if any, procuring the buyer. Any purchase and sale
agreement will be supplied by the County.
- 6 3. During the Board of Supervisors' regular meeting on November 13, 2018, at the time
7 stated on the agenda, the Clerk of the Board will open the bids. Thereafter, the Chair
of the Board will call for oral bids. An oral bid will be accepted only if:
- 8 a. It is at least 5% higher than the highest sealed bid (for market rate purchases);
9 and
- 10 b. It is reduced to writing and signed by the person or entity on whose behalf the
11 bid is made or the duly authorized agent (who shall possess sufficient written
12 proof of agency); and
- 13 c. In the case of a bid following the first oral bid (for market rate purchases), it is
14 at least \$1,000 higher than the last oral bid; and
- 15 d. The Board does not determine that the Davison Property should be sold at less
16 than fair market value for the purpose of providing housing affordable to
17 persons or families of low or moderate income pursuant to Government Code
section 25539.4 and, therefore, rejects all other bids pursuant to paragraph 5
below.
- 18 4. All sealed bids shall be accompanied by a money order or cashier's check made
19 payable to Mono County in the amount of one thousand dollars (\$1,000.00) as a
20 guarantee that the bidder will, if the bid is accepted, purchase the Davison Property. If
21 the successful bidder fails to purchase the Davison Property in accordance with the
22 bid, the \$1,000.00 shall be retained by the County as damages. Money tendered by
an unsuccessful bidder shall be returned within thirty (30) calendar days after the
23 successful bid is accepted. If an oral bid is the highest bid, then a money order or
cashier's check in the amount of \$1,000.00 must accompany such bid when it is
reduced to writing and signed by the bidder.
- 24 5. The County reserves the right to reject any and all bids, to waive irregularities in any
25 bid; and/or to reject all bids which would not result in the Property being enforceably
26 restricted to provide housing affordable to persons or families of low or moderate
27 income pursuant to Government Code section 25539.4 for a period of at least 30
years. With respect to bids proposing to restrict the property for affordable housing,
proposals shall include the following:
- 28 a. The number of affordable units to be built and an explanation of how the
29 proposed project complies with density and other land use requirements of the
30 Town of Mammoth Lakes;
- 31 b. The population to be served (i.e., percentage of area median income (AMI));
- 32 c. A description of the proposer's prior experience developing affordable
housing;
- d. The duration of the enforceable restriction;

- e. A plan and timeline for developing the property; and
- f. The proposed purchase price.

If the Board determines to reject all bids in favor of pursuing a deed-restricted sale, it may continue the matter to a subsequent meeting without selecting a successful bid.

- 6. The minimum bid is one hundred and fifty thousand dollars (\$150,000.00). No written or oral bid below that amount will be considered, except as part of a proposal made for the purpose of developing housing affordable to persons or families of low or moderate income pursuant to Government Code section 25539.4.
- 7. The County has listed the property with a licensed real estate broker and will pay a commission of 2.5% of the sales price to the broker whose name is listed in the highest sealed proposal or stated in or with the oral bid which is finally accepted and which results in a closed escrow. Payment will be issued at the close of escrow. No additional payments to brokers shall be made by the County and all amounts specified herein shall be exclusive of any commission the bidder may elect to pay to a broker. In the event of sale on a higher oral bid to a purchaser procured by a qualified licensed real estate broker other than the broker who submitted the highest written proposal, one half of the commission on the amount of the highest written proposal shall be paid to the broker who submitted it, and the balance of the commission on the purchase price to the broker who procured the purchaser to whom the sale was confirmed.
- 8. Payment of any amount due shall be in cash, lawful money of the United States, at the close of escrow. The bid security of \$1,000 set forth above shall be applied to the purchase price.
- 9. The Title Company shall be selected by the County. The escrow shall close, title shall pass, and possessions shall be delivered within thirty (30) calendar days after the date of acceptance by the Board of Supervisors of the successful bid. Closing costs shall be borne equally by the County and the buyer.

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10. The County will convey all right, title and interest which it owns in the Davison Property and title conveyed shall be subject to all liens and encumbrances, easements, rights of way, taxes and assessments, if any, and deed and tract covenants, conditions and restrictions, whether recorded or not and, as applicable, an enforceable restriction that the property be developed and maintained for affordable housing for a period of at least 30 years.

11. This Resolution shall supersede, and replace in its entirety, Resolution R18-61, adopted by the Board of Supervisors on October 9, 2018, which shall be of no further force and effect.

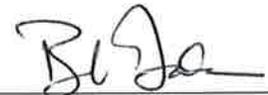
PASSED, APPROVED and ADOPTED this 16th day of October, 2018, by the following vote, to wit:

AYES: Supervisors Corless, Gardner, Halferty, Peters, and Stump.

NOES: None.

ABSENT: None.

ABSTAIN: None.



Bob Gardner, Chair
Mono County Board of Supervisors

ATTEST:


Clerk of the Board

APPROVED AS TO FORM:


County Counsel

1 EXHIBIT TO RESOLUTION DECLARING INTENTION TO SELL CERTAIN
2 COUNTY-OWNED REAL PROPERTY (APN 031-070-011)

3 **Davison Property Legal Description**
4

5 LOT 11 OF ADDITION NO. 3, TIMBER RIDGE ESTATES SUBDIVISION, IN THE
6 COUNTY OF MONO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2,
7 PAGE 23 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

8 TOGETHER WITH THAT PORTION OF AN ALLEY, ADJACENT IN THE SOUTH,
9 ABANDONED BY MONO COUNTY RESOLUTION 20-71, DATED APRIL 20, 1971, A
10 CERTIFIED COPY OF WHICH IS RECORDED JUNE 2, 1971 IN BOOK 123 PAGE 423,
11 AND SEPTEMBER 30, 1973 IN BOOK 128 PAGE 150, THAT WOULD PASS BY A
12 CONVEYANCE OF SAID LOT 11.
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**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: CAO

TIME REQUIRED	30 minutes (15 minute presentation; 15 minute discussion)	PERSONS APPEARING BEFORE THE BOARD	Cal Rossi, SCE Government Relations Manager
SUBJECT	Southern California Edison's Emergency Shut Down Presentation		

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

A presentation about Southern California Edison's Public Safety Power Shutoff Program, including Wildfire Mitigation, Safety, and Grid Resiliency efforts.

RECOMMENDED ACTION:

Informational only.

FISCAL IMPACT:

None.

CONTACT NAME: Scheereen Dedman

PHONE/EMAIL: /

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

<p>Click to download</p> <p>No Attachments Available</p>
--

History

Time	Who	Approval
11/8/2018 6:48 AM	County Administrative Office	Yes
11/6/2018 11:14 AM	County Counsel	Yes
11/6/2018 3:24 PM	Finance	Yes



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Public Works

TIME REQUIRED 5 minutes

**PERSONS
APPEARING
BEFORE THE
BOARD**

Tony Dublino, Director of Public Works

SUBJECT Amendment of Allocation List to
Convert Part-time FTS II to Full-time
FTS II

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Request to change the County Allocation List to reflect the increase of a part-time FTS II position to a full-time FTS II position within the Department of Public Works

RECOMMENDED ACTION:

Adopt Proposed Resolution 18-____, Authorizing the County Administrative Officer to Amend the County of Mono List of Allocated Positions to add 1/2 Fiscal Technical II Specialist position.

FISCAL IMPACT:

The fiscal impact of the change for the remainder of FY 18/19 is \$15,608 Salary and \$16,738 Benefits. No budget amendment is necessary at this time as this amount is available through use of salary savings in other areas within the Public Works Department.

CONTACT NAME: Tony Dublino

PHONE/EMAIL: 760.932.5459 / tdublino@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
Staff Report
Resolution

History

Time

Who

Approval

11/8/2018 6:59 AM	County Administrative Office	Yes
11/8/2018 11:25 AM	County Counsel	Yes
11/7/2018 9:05 PM	Finance	Yes



MONO COUNTY DEPARTMENT OF PUBLIC WORKS

POST OFFICE BOX 457 • 74 NORTH SCHOOL STREET • BRIDGEPORT, CALIFORNIA 93517
760.932.5440 • Fax 760.932.5441 • monopw@mono.ca.gov • www.monocounty.ca.gov

Date: November 13, 2018

To: Honorable Chair and Members of the Board of Supervisors

From: Tony Dublino, Director of Public Works

Re: Request to change the County Allocation List to reflect the increase of a part-time FTS II position to a full-time FTS II position within the Department of Public Works

Recommended Action:

Adopt Resolution 18-____

A RESOLUTION OF THE MONO COUNTY BOARD OF SUPERVISORS AUTHORIZING THE COUNTY ADMINISTRATIVE OFFICER TO AMEND THE COUNTY OF MONO LIST OF ALLOCATED POSITIONS TO ADD 1/2 FISCAL TECHNICAL SPECIALIST II POSITION IN THE DEPARTMENT OF PUBLIC WORKS

Fiscal Impact:

The fiscal impact of the change for the remainder of FY 18/19 is \$15,608 Salary and \$16,738 Benefits. No budget amendment is necessary at this time as this amount is available through use of salary savings in other areas within the Public Works Department.

Background:

The Department of Public Works currently employs Edelmira Dillingham as an Fiscal Technical Specialist II (FTS) at 20 hours per week, working entirely with the Solid Waste Division of Public Works. Ms. Dillingham has recently expressed her interest in moving to full-time employment with the County.

Due to an imminent retirement (December 31, 2018) within the Administrative Division of Public Works, it is necessary for the County to hire additional staff to provide for adequate training and assumption of critical payroll duties that must be addressed upon the pending retirement.

Ms. Dillingham has proven herself a capable Fiscal Technical Specialist and is well-suited for the assumption of these additional payroll duties. It is staff's recommendation to change the FTS position currently occupied by Ms. Dillingham be changed from part-time to full-time to facilitate an efficient succession of duties.

Please contact me at 760-932-5459 or by email at tdublino@mono.ca.gov if you have any questions regarding this matter.

Respectfully submitted,



Tony Dublino
Director of Public Works



R18-__

**A RESOLUTION OF THE MONO COUNTY
BOARD OF SUPERVISORS AUTHORIZING THE COUNTY ADMINISTRATIVE
OFFICER TO AMEND THE COUNTY OF MONO LIST OF ALLOCATED POSITIONS
TO ADD 1/2 FULL-TIME FISCAL TECHNICAL SPECIALIST II POSITION IN THE
DEPARTMENT OF PUBLIC WORKS**

WHEREAS, the County of Mono maintains a list of County job classifications, the pay ranges or rates for those job classifications, and the number of positions allocated by the Board of Supervisors for each of those job classifications on its List of Allocated Positions (or “Allocation List”); and,

WHEREAS, the Allocation List identifies approved vacancies for recruitment and selection by Human Resources and implements collective bargaining agreements related to job classifications and pay rates; and,

WHEREAS, the County seeks to provide public services in the most efficient and economical manner possible, which at times requires the modification of the job classifications on the Allocation List; and

WHEREAS, it is currently necessary to amend the Allocation List as part of maintaining proper to amend the Allocation List as part of maintaining proper accounting for hiring employees to perform public services.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF MONO RESOLVES that:

SECTION ONE: The County Administrative Officer is authorized to amend the County of Mono List of Allocated Positions to increase the allocation of a full-time permanent Fiscal Technical Specialist II in the Department of Public Works by .5 (new total of 1) (salary range of \$3,338 - \$4,058 per month);

PASSED, APPROVED and ADOPTED this ___ day of _____ 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Bob Gardner, Chair
Mono County Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Scheereen Dedman
Clerk of the Board

Stacey Simon
County Counsel



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Public Works

TIME REQUIRED 5 minutes

**PERSONS
APPEARING
BEFORE THE
BOARD**

Tony Dublino, Director of Public Works

SUBJECT Hiring of a Maintenance Worker III at "E" Step

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Request for Board authorization to hire a Maintenance Worker III beyond an "A" Step

RECOMMENDED ACTION:

Authorize the hiring of a Maintenance Worker III in the Benton Road District at an "E" Step.

FISCAL IMPACT:

None. The requested action (Maintenance Worker III "E" Step) is a currently allocated and funded position within the Road Division Budget of Public Works.

CONTACT NAME: Tony Dublino

PHONE/EMAIL: 760.932.5459 / tdublino@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

<p>Click to download</p> <p> Staff Report</p>

History

Time	Who	Approval
11/8/2018 6:58 AM	County Administrative Office	Yes
11/8/2018 11:26 AM	County Counsel	Yes
11/8/2018 3:16 PM	Finance	Yes



MONO COUNTY DEPARTMENT OF PUBLIC WORKS

POST OFFICE BOX 457 • 74 NORTH SCHOOL STREET • BRIDGEPORT, CALIFORNIA 93517
760.932.5440 • Fax 760.932.5441 • monopw@mono.ca.gov • www.monocounty.ca.gov

Date: November 13, 2018
To: Honorable Chair and Members of the Board of Supervisors
From: Tony Dublino, Director of Public Works
Re: Hiring of a Maintenance Worker III beyond Step A

Recommended Action:

Authorize the hiring of a Maintenance Worker III in the Benton Road District at an "E" Step.

Fiscal Impact:

None. The requested action (Maintenance Worker III "E" Step) is a currently allocated and funded position within the Road Division Budget of Public Works.

Background:

A Maintenance Worker III has resigned from Road District #2 (Benton), and is currently using vacation time until December 6th when their employment with the County will terminate. After the resignation was announced, the position was flown in-house according to MOU requirements and no internal applicants emerged.

The County is fortunate to receive interest in the job from Jason Garcia, a former employee who left County employ in 2015, after 10 years of commendable service. Mr. Garcia held the position of Maintenance Worker III, at an "E" Step, when he resigned and relocated with his family out of the area. Since that time Mr. Garcia has worked with Caltrans and has duly expanded his experience.

Mr. Garcia and his family have returned to the area, and due to his extensive experience with the County's Road operations as well as experience outside the County, the County believes it is in the best interest of the County to offer Mr. Garcia a Maintenance Worker III Position at the same "E" Step that he vacated in 2015. Staff would appreciate the Board's support of this recommended action.

Please contact me at 760-932-5459 or by email at tdublino@mono.ca.gov if you have any questions regarding this matter.

Respectfully submitted,

Tony Dublino
Director of Public Works



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Finance

TIME REQUIRED	20 minutes (10 minute presentation, 10 minute discussion)	PERSONS APPEARING BEFORE THE BOARD	Janet Dutcher
SUBJECT	Revised County Debt Policy		

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Review revised County debt policy and recommended changes to comply with Senate Bill 1029, in anticipation of the County issuing debt to finance the Mono County Civic Center project.

RECOMMENDED ACTION:

Adopt revised debt policy as recommended or revised.

FISCAL IMPACT:

No fiscal impact directly resulting from this agenda item but a revised debt policy means the County complies with SB 1019 in anticipation of issuing debt.

CONTACT NAME: Janet Dutcher

PHONE/EMAIL: 760-932-5494 / jdutcher@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

Click to download
Staff report
Mono County Debt Policy - revised
Mono County Debt Policy - redline with changes

History

Time	Who	Approval
11/8/2018 6:42 AM	County Administrative Office	Yes

11/8/2018 11:28 AM

County Counsel

Yes

11/8/2018 3:15 PM

Finance

Yes



DEPARTMENT OF FINANCE

COUNTY OF MONO

Gerald A. Frank
Assistant Finance Director
Treasurer-Tax Collector

Janet Dutcher, CPA, CGFM
Finance Director

Stephanie Butters
Assistant Finance Director
Auditor-Controller

P.O. Box 495
Bridgeport, California 93517
(760) 932-5480
Fax (760) 932-5481

P.O. Box 556
Bridgeport, California 93517
(760) 932-5490
Fax (760) 932-5491

Date: November 13, 2018

To: Honorable Board of Supervisors

From: Janet Dutcher, Finance Director

Subject: Revised County Debt Policy

Recommended Action

Adopt revised County Debt Policy, as recommended or revised.

Strategic Plan Focus Area(s) Met

Economic Base Infrastructure Public Safety
 Environmental Sustainability Mono Best Place to Work

Fiscal Impact

No fiscal impact directly resulting from this agenda item, but a revised debt policy means the County complies with SB 1029 in anticipation of issuing debt.

Discussion

A debt policy contributes to the objective of controlling the types and extent of an organization's outstanding obligations. The County's debt policy provides such a framework for planning and evaluating each prospective financing proposal. Additionally, it addresses managing the County's debt capacity.

Credit rating agencies recognize the existence of debt policies as an important tool to assist management in managing the financial affairs of the County. Standard & Poor's include existence of a debt policy among their list of the top ten best practices and it factors into their financial management assessment for evaluating creditworthiness.

Titled California Debt and Investment Advisory Commission Accountability Reports, Senate Bill 1029 was signed into law in 2016 and mandates tracking of state and local government borrowing and spending of bond proceeds by the State Treasurer's Office. Tacking is based on specified reporting obligations placed on issuers of debt.

When the County reports to the State about the anticipated Certificates of Participation 2018 Series A, SB 1029 requires certification that the County has in place local debt policies that address the following components:

- The purposes for which the debt proceeds may be used.
- The types of debt that may be issued.
- The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
- Policy goals related to the issuer's planning goals and objectives.
- Internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

While engaged to draft agreements and other documents for the County's Mono County Civic Center financing, bond and disclosure counsel reviewed the County's existing debt policy agreement. Staff agree with bond and disclosure counsel recommendations. These policy changes are proposed to ensure compliance with SB 1029. A redline version is included with this agenda for your Board and the public to identify the recommended changes.

If you have any questions on this matter prior to your meeting, please call me at 932-5494.

The debt management policy is used to provide the general framework for planning and reviewing debt proposals. The Mono County Board of Supervisors recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the debt position of Mono County (the "County"). Debt decisions should be the result of deliberative consideration of all factors involved.

I. General Debt Policy

A. In order to maximize the financial options available to benefit the public, it is the policy of the County to allow for the consideration of issuing all generally accepted types of debt, to the extent permitted by law, to further its public purposes and the County may approve such debt without an amendment of this Debt Policy.

B. Except in extreme emergencies, long-term debt shall not be issued to finance ongoing operational costs.

C. When possible, the County shall pursue alternative sources of funding, such as pay as you go or grant funding to limit debt.

D. Whenever possible the County shall use self-supporting debt instead of General Fund obligated debt.

E. The aggregate annual debt service, including certificates of participation but excluding self-supporting debt, shall not exceed 7% of annual General Fund discretionary revenue.

F. The County shall seek to maintain and, if possible, to improve its bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the County demonstrate to rating agencies, investment bankers, creditors, and taxpayers that County officials are following a prescribed financial plan. The County will follow a policy of full disclosure by communicating with bond rating agencies to inform them of the County's financial condition.

G. Every future bond issue proposal will be accompanied by an analysis demonstrating conformity to the debt policies adopted by County Board of Supervisors. The Finance Director will review and comment on each bond issue proposal regarding conformance with existing debt and financial policies, and specific aspects of the proposed financing package and its impact on the County's creditworthiness.

H. The County recognizes that it is of the utmost importance that elected and appointed County officials, and all others associated with the issuance of County debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. County officials must conduct themselves in a fashion consistent with the best interests of the County and taxpayers. Elected and appointed County officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the County Clerk.

II. Policy Goals Related To Planning Goals And Objectives

The County is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The County intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the County's annual operating budget.

Mono County's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

The County will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

III. Uses

A. Debt proceeds should be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, and movable pieces of equipment, such as fire engines, or other costs as permitted by law. Acceptable uses of debt proceeds can be viewed as items which can be capitalized. Non-capital furnishings and supplies will not be financed from debt proceeds. Bond proceeds may be used to establish a debt service reserve. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bond proceeds.

B. Recognizing that bond issuance costs add to the total interest costs of financing; bond financing should not be used if the aggregate cost of projects to be financed by the bond issue does not exceed \$1,000,000.

IV. Decision Analysis

A. Whenever the County is contemplating a possible bond issue, information will be developed concerning the following four categories commonly used by rating agencies assessing the County's creditworthiness. The subcategories are representative of the types of items that may be considered. This information will be presented by the Finance Director to the Board of Supervisors.

Debt Analysis

- Debt capacity analysis
- Purpose for which debt is issued
- Debt structure
- Debt burden
- Debt history and trends
- Adequacy of debt and capital planning
- Obsolescence of capital plant

Financial Analysis

- Stability, diversity, and growth rates of tax or other revenue sources

- Trend in assessed valuation and collections
- Current budget trends
- Appraisal of past revenue and expenditure trends
- History and long-term trends of revenues and expenditures
- Evidences of financial planning
- Adherence to generally accepted accounting principles
- Audit results
- Fund balance status and trends in operating and debt funds
- Financial monitoring systems and capabilities
- Cash flow projections

Governmental and Administrative Analysis

- Government organization structure
- Location of financial responsibilities and degree of control
- Adequacy of basic service provision
- Intergovernmental cooperation/ conflict and extent of duplication
- Overall County planning efforts

Economic Analysis

- Geographic and location advantages
- Population and demographic characteristics
- Wealth indicators
- Housing characteristics
- Level of new construction
- Types of employment, industry, and occupation
- Evidences of industrial decline
- Trend of the economy

B. The County may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the County's creditworthiness and marketability of the County's bonds, this policy is intended to insure that potential debt complies with all laws and regulations, as well as sound financial principles.

V. Debt Planning

A. The County shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the County's public purposes. The County shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

B. General Obligation bond borrowing should be planned, and the details of the plan must be incorporated in the Mono County Capital Improvement Plan.

C. General Obligation bond issues should be included in at least two annual Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.

VI. Internal Control Procedures

A. When issuing debt, in addition to complying with the terms of this Debt Policy, the County shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

B. The County will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the County's investment policies as they relate to the investment of bond proceeds.

C. Significant financial reports affecting or commenting on the County will be forwarded to the rating agencies. Each bond prospectus will follow the disclosure guidelines of the Government Finance Officers Association of the U. S. & Canada.

D. The County should attempt to develop coordinated communication processes with all other jurisdictions with which it shares a common property tax base concerning collective plans for future debt issues. Reciprocally, shared information on debt plans including amounts, purposes, timing, and types of debt would aid each jurisdiction in its debt planning decisions.

E. The Finance Director or designee can recommend future changes to the Debt Management Policy as deemed necessary.

VII. General Obligation Bonds

A. Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project.

B. Generally, bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed. The County will attempt to keep the average maturity of general obligation bonds at or below 12.5 years.

C. Whenever possible, the County will finance capital projects by using self-supporting revenue bonds. Revenue bonds assure the greatest degree of equity because those who benefit from a project and those who pay for a project are most closely matched.

VIII. Revenue Bonded Debt

A. It will be a long-term goal that any utility or enterprise will ensure future capital financing needs are met by using a combination of current operating revenues and revenue bond

financing. Therefore a goal is established that 15% of total project costs should come from operating funds of the utility or enterprise.

B. It is County policy that each utility or enterprise should provide adequate debt service coverage. A specific factor is established by County Board of Supervisors that projected operating revenues in excess of operating expenses less capital expenditures, depreciation and amortization in the operating fund should be at least 1.25 times the annual debt service costs. An example of the debt coverage calculation is shown below:

Debt Coverage Example:

Operating Revenues	\$	3,903,000	
Operating Investment Income		80,000	
Total Operating Revenue	\$	3,983,000	
Operating Expenses	\$	3,540,000	
Less: Depreciation and Amortization		310,000	
Net Expenses	\$	3,850,000	
Net Revenue Available for			
Debt Service	\$	133,000	(i.)
Principal	\$	75,000	
Interest		37,500	
Total Debt Service	\$	112,500	(2*)
Debt Coverage Ratio (1* divided by 2*)		1.18	

IX. Short Term Financing/Capital Lease Debt

A. Short-term financing or capital lease debt will be considered to finance certain equipment and rolling stock purchases when the aggregate cost of equipment to be purchased exceeds \$25,000. Adequate funds for the repayment of principal and interest must be included in the requesting department's approved budget.

B. The term of short-term financing will be limited to the usual useful life period of the vehicle or equipment, but in no case will exceed ten years.

C. Departments requesting capital financing must have a budget appropriation approved by the Board of Supervisors. Departments shall submit documentation for approved purchases to the Finance Department each year within ten days after the annual budget is adopted. The Finance Department will consolidate all requests and may solicit competitive or negotiated proposals for capital financing to insure the lowest possible interest costs.

X. Annual Review

The County Finance Officer will schedule the Debt Policy for review and updating by the Board of Supervisors annually.

The debt management policy is used to provide the general framework for planning and reviewing debt proposals. The Mono County Board of Supervisors recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the ~~County's~~ debt position of Mono County (the "County"). Debt decisions should be the result of deliberative consideration of all factors involved.

I. General Debt Policy

~~A.~~ In order to maximize the financial options available to benefit the public, it is the policy of the County to allow for the consideration of issuing all generally accepted types of debt, to the extent permitted by law, to further its public purposes and the County may approve such debt without an amendment of this Debt Policy.

~~B. A.~~ Except in extreme emergencies, long-term debt shall not be issued to finance ongoing operational costs.

~~C. B.~~ When possible, the County shall pursue alternative sources of funding, such as pay as you go or grant funding to limit debt.

~~D. C.~~ Whenever possible the County shall use self-supporting debt instead of General Fund obligated debt.

~~E. D.~~ The aggregate annual debt service, including certificates of participation but excluding self-supporting debt, shall not exceed 7% of annual General Fund discretionary revenue.

~~F. E.~~ The County shall seek to maintain and, if possible, to improve its bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the County demonstrate to rating agencies, investment bankers, creditors, and taxpayers that County officials are following a prescribed financial plan. The County will follow a policy of full disclosure by communicating with bond rating agencies to inform them of the County's financial condition.

~~G. F.~~ Every future bond issue proposal will be accompanied by an analysis demonstrating conformity to the debt policies adopted by County Board of Supervisors. The Finance Director will review and comment on each bond issue proposal regarding conformance with existing debt and financial policies, and specific aspects of the proposed financing package and its impact on the County's creditworthiness.

~~H. G.~~ The County recognizes that it is of the utmost importance that elected and appointed County officials, and all others associated with the issuance of County debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. County officials must conduct themselves in a fashion consistent with the best interests of the County and taxpayers. Elected and appointed County officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the County Clerk.

~~H. Taxpayer Equity~~ II. Policy Goals Related To Planning Goals And Objectives

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- —Debt history and trends
- Adequacy of debt and capital planning
-
- Obsolescence of capital plant

Financial Analysis

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- Government organization structure
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Economic Analysis

- –Geographic and location advantages
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- –Level of new construction
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- –Evidences of industrial decline
- –Trend of the economy

B. The County may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the County's creditworthiness and marketability of the County's bonds, this policy is intended to insure that potential debt complies with all laws and regulations, as well as sound financial principles.

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B. A.–General Obligation bond borrowing should be planned, and the details of the plan must be incorporated in the Mono County Capital Improvement Plan.

~~C. B.~~ General Obligation bond issues should be included in at least two annual Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.

~~VI. Communication and Disclosure~~ VI. Internal Control Procedures

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B. The County will periodically review the requirements of and will remain in compliance with the following:

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~~C. A.~~ Significant financial reports affecting or commenting on the County will be forwarded to the rating agencies. Each bond prospectus will follow the disclosure guidelines of the Government Finance Officers Association of the U. S. & Canada.

~~D. B.~~ The County should attempt to develop coordinated communication processes with all other jurisdictions with which it shares a common property tax base concerning collective plans for future debt issues. Reciprocally, shared information on debt plans including amounts, purposes, timing, and types of debt would aid each jurisdiction in its debt planning decisions.

~~E. C.~~ The Finance Director ~~shall insure that all continuing disclosure required for a debt issue is filed in a timely manner. The Finance Director shall insure compliance with SEC Rule 15c2-12 by filing a notice of material events within 10 days of their occurrence. These include principal and interest payment delinquencies; material nonpayment related defaults; unscheduled draws on debt service reserves or credit enhancements reflecting financial difficulty; substitution of credit or liquidity providers or their failure to perform; adverse tax opinions or material notices of determination with respect to the tax status of a security; material modifications to the rights of security holders; material bond calls and tender offers; defeasances; release, substitution or sale of secured property; rating changes; bankruptcy, insolvency, receivership, or similar event of the obligated party; merger, consolidation, or acquisition involving an obligated party or sale of substantially all of the assets of an obligated party; appointment of a successor or additional trustee; and failure to provide annual financial information by the date specified in the continuing disclosure agreement.~~ or designee can recommend future changes to the Debt Management Policy as deemed necessary.

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Net Expenses	\$	3,850,000	
Net Revenue Available for			
Debt Service	\$	133,000	(i.)
Principal	\$	75,000	
Interest		<u>37,500</u>	
Total Debt Service	\$	112,500	(2*)
Debt Coverage Ratio (1* divided by 2*)		1.18	

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B. The term of short-term financing will be limited to the usual useful life period of the vehicle or equipment, but in no case will exceed ten years.

C. Departments requesting capital financing must have a budget appropriation approved by the Board of Supervisors. Departments shall submit documentation for approved purchases to the Finance Department each year within ten days after the annual budget is adopted. The Finance Department will consolidate all requests and may solicit competitive or negotiated proposals for capital financing to insure the lowest possible interest costs.

X. Annual Review

The County Finance Officer will schedule the Debt Policy for review and updating by the Board of Supervisors annually.

Document comparison by Workshare 9 on Wednesday, October 10, 2018
4:47:34 PM

Input:	
Document 1 ID	netdocuments://4839-3534-7576/1
Description	Mono County Debt Policy
Document 2 ID	netdocuments://4839-3534-7576/2
Description	Mono County Debt Policy
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	66
Deletions	39
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	105



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

TIME REQUIRED

SUBJECT Closed Session--Human Resources

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

CONFERENCE WITH LABOR NEGOTIATORS. Government Code Section 54957.6. Agency designated representative(s): Stacey Simon, Leslie Chapman, Dave Butters, Janet Dutcher, and Anne Larsen. Employee Organization(s): Mono County Sheriff's Officers Association (aka Deputy Sheriff's Association), Local 39--majority representative of Mono County Public Employees (MCPE) and Deputy Probation Officers Unit (DPOU), Mono County Paramedic Rescue Association (PARA), Mono County Public Safety Officers Association (PSO), and Mono County Sheriff Department's Management Association (SO Mgmt). Unrepresented employees: All.

RECOMMENDED ACTION:

FISCAL IMPACT:

CONTACT NAME:

PHONE/EMAIL: /

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

<p>Click to download</p> <p>No Attachments Available</p>
--

History

Time

Who

Approval



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

TIME REQUIRED

SUBJECT Closed Session - Workers'
Compensation

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. Subdivision (a) of Government Code section 54956.9.
Name of case: Workers' compensation claim of John Rutkowski.

RECOMMENDED ACTION:

FISCAL IMPACT:

CONTACT NAME:

PHONE/EMAIL: /

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

[Click to download](#)
No Attachments Available

History

Time	Who	Approval
11/8/2018 6:16 AM	County Administrative Office	Yes
11/8/2018 9:08 AM	County Counsel	Yes
11/7/2018 8:20 PM	Finance	Yes



OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

TIME REQUIRED

SUBJECT Closed Session - Exposure to
Litigation

**PERSONS
APPEARING
BEFORE THE
BOARD**

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. Number of potential cases: one.

RECOMMENDED ACTION:

FISCAL IMPACT:

CONTACT NAME:

PHONE/EMAIL: /

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

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No Attachments Available

History

Time

Who

Approval



OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS

REGULAR AGENDA REQUEST

Print

MEETING DATE November 13, 2018

Departments: Finance, CAO, County Counsel

TIME REQUIRED 1 hour (20 minute presentation, 40 minute discussion)

PERSONS APPEARING BEFORE THE BOARD

Janet Dutcher, Leslie Chapman, Stacey Simon

SUBJECT Mono County Certificates of Participation 2018 Series A (Mono County Civic Center)

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

Proposed resolution R18-___, authorizing the execution of certain lease financing documents with respect to the issuance and sale of tax-exempt Certificates of Participation (COP) 2018 Series A in an aggregate amount not to exceed \$24 million to finance the construction of the Mono County Civic Center; authorizing distribution of an Official Statement, and authorizing execution of necessary documents, certificates and related actions.

RECOMMENDED ACTION:

Adopt proposed resolution R18-___, Authorizing the execution of certain lease financing documents with respect to the issuance and sale of tax-exempt Certificates of Participation (COP) 2018 Series A in an aggregate amount not to exceed \$24 million to finance the construction of the Mono County Civic Center; authorizing distribution of an Official Statement; and authorizing execution of necessary documents and certificates and related actions.

FISCAL IMPACT:

This transaction will deposit at least \$20.5 million of debt proceeds into the project fund, after deduction for the cost of issuance and capitalized interest. Average fiscal year debt service is estimated at \$1.3 million, beginning August 1, 2020 through August 1, 2048.

CONTACT NAME: Janet Dutcher

PHONE/EMAIL: 760-932-5494 / jdutcher@mono.ca.gov

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

[Click to download](#)

Staff report
Financing Resolution
Master Trust Agreement
Preliminary Official Statement
Ground Lease
Lease Agreement
Assignment Agreement
Certificate Purchase Agreement

History

Time	Who	Approval
11/8/2018 3:15 PM	County Administrative Office	Yes
11/8/2018 3:08 PM	County Counsel	Yes
11/8/2018 3:15 PM	Finance	Yes

**DEPARTMENT OF FINANCE
COUNTY OF MONO**

*Gerald A. Frank
Assistant Finance Director
Treasurer-Tax Collector*

*Janet Dutcher, CPA, CGFM
Finance Director*

*Stephanie Butters
Assistant Finance Director
Auditor-Controller*

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Bridgeport, California 93517
(760) 932-5490
Fax (760) 932-5491*

Date: November 13, 2018

To: Honorable Board of Supervisors

From: Janet Dutcher, Finance Director
Leslie Chapman, County Administrative Officer
Stacey Simon, County Counsel

Subject: Mono County Certificates of Participation 2018 Series A

Recommended Action

Adopt proposed resolution R18-___, authorizing the execution of certain lease financing documents with respect to the issuance and sale of tax-exempt Certificates of Participation (COP) 2018 Series A in an aggregate amount not to exceed \$24 million to finance the construction of the Mono County Civic Center; authorizing distribution of an Official Statement; and authorizing execution of necessary documents and certificates and related actions.

Strategic Plan Focus Area(s) Met

Economic Base Infrastructure Public Safety
 Environmental Sustainability Mono Best Place to Work

Fiscal Impact

This transaction will deposit at least \$20.5 million of debt proceeds into the project fund, after deduction for the cost of issuance and capitalized interest. Average fiscal year debt service is estimated at \$1.3 million, beginning August 1, 2020 through August 1, 2048.

Purpose of the Financing

The County Board of Supervisors is considering a Resolution to approve a series of documents with respect to the execution and delivery of the Mono County Certificates of Participation, Series 2018A (Mono County Civic Center) (“2018 COPs”). The purpose of the financing is to provide funds to finance certain costs of the construction of the Mono County Civic Center Project and to pay costs of issuance. County staff has worked diligently with the financing team over the past several months to prepare the structure and documentation of the 2018 COPs for the Board’s consideration.

The Mono County Civic Center Project

The project consists of the construction of a 33,000 square foot pre-fabricated County Administrative Office Building, parking for approximately 110 vehicles and related access improvements. The County will own in fee two parcels of land which underlie the proposed improvements. The project provides for the consolidation of all County departments currently providing services in leased space at Sierra Center Mall and Minaret Mall in the Town of Mammoth Lakes. Co-locating these departments in a single building will increase efficiency and effectiveness of County operations and will greatly improve the convenience, safety, and confidentiality of services to the public. A design-build contract was awarded to Roebblen Contracting of El Dorado Hills and pre-construction activities are currently underway. The contract was awarded for an amount not to exceed \$20.5 million, including a contingency allowance of \$1,759,000. Construction is expected to start in April 2019, and the facility is estimated to be available for occupancy in March 2020, or earlier depending on weather and other contingencies.

The 2018 COPs

The County is issuing Certificates of Participation (“COPs”) to finance the cost of the project, which is a borrowing tool commonly utilized by California counties to finance capital projects. The 2018 COPs will be issued as fixed-rate lease obligations that will pay principal annually and interest semi-annually for a term of 30 years. The COP structure is based upon a series of leases between the County and the County of Mono Economic Development Corporation (EDC): The

County will lease the Mono County Civic Center to the EDC pursuant to a Ground Lease; the County will then sublease the property back from the EDC pursuant to a Lease Agreement; finally, the base rental payments made by the County under the Lease Agreement are assigned by the EDC to the Trustee, U.S. Bank, pursuant to an Assignment Agreement.

Estimated Sources and Uses

Below is an estimate of the sources and uses of the 2018 COPs, based upon market conditions as of October 10, 2018, provided by the Underwriter Brandis Tallman LLC. Please note these figures are preliminary and subject to changes in market conditions until the pricing of the 2018 COPs, which is estimated to be during the week of December 3rd.

Estimated Sources and Uses, Preliminary and Subject to Changes in Market Conditions	
Sources of Funds	
Par Amount:	\$20,170,000
Bond Premium:	<u>1,982,299</u>
Total Sources:	\$22,152,299
Uses of Funds	
Project Fund Deposit:	\$20,500,000
Capitalized Interest: ¹	1,080,822
Cost of Issuance: ²	240,000
Underwriter's Discount: ³	104,235
Bond Insurance Premium: ⁴	173,981
Surety Bond Premium: ⁵	51,935
Bond Rounding:	<u>1,326</u>
Total Uses:	\$22,152,299
Estimated True Interest Cost: ⁶	4.18%
Financing Term:	30 years
Range of Annual FY Payments: ⁷	\$1.3-1.35 million

¹ Interest capitalized through construction period of project, February 1, 2020.

² Estimated costs of issuance includes fees for bond and disclosure counsel, municipal advisor, credit rating agency, trustee, title insurance, financial printer, etc.

³ Underwriter's discount based upon \$5.17 per \$1,000 of bond par amount.

⁴ Bond insurance premium based upon fee of 45 basis points of total CO P principal and interest.

⁵ Surety bond policy based upon fee of 400 basis points of reserve requirement.

⁶ Based upon market conditions as of October 10, 2018, preliminary and subject to change.

⁷ Low end of range based upon market conditions as of October 10, 2018,

higher end of range based upon market conditions as of October 10, 2018 plus 50 basis points.

Financing Documents for Approval

The Board of Supervisors is approving the form of several financing related documents, each of which has been reviewed by County Counsel, Finance and CAO and is summarized below:

- **County Financing Resolution**

The Financing Resolution approves the form of each of the following documents, as well as key parameters for the sale of the 2018 COPs, including not-to-exceed par amount, borrowing rate, underwriter's discount, amongst others. The Resolution instructs County staff to complete the transaction, based upon the parameters specified in the Resolution.

- **Master Trust Agreement**

The Master Trust Agreement is an agreement between the COP trustee (U.S. Bank), the EDC, and Mono County that effectuates the execution and delivery of the 2018 COPs. The Master Trust Agreement sets forth all the terms and conditions of the 2018 COPs.

- **Preliminary Official Statement ("POS")**

The POS serves as the primary disclosure document that summarizes the key credit features of the County. Potential investors will base their investment decision upon the information disclosed in the POS. While prepared and reviewed by third party consultants, County staff were significantly involved in the preparation of this document. The POS is ultimately the County's document and should be reviewed carefully for accuracy.

- **Ground Lease**

Mono County will lease the Mono County Civic Center to the EDC under the Ground Lease.

- **Lease Agreement**

Mono County will sublease the Mono County Civic Center back from the EDC under the Lease Agreement.

- **Assignment Agreement**

The EDC assigns its rights to receive Base Rental Payments under the Lease Agreement to the Trustee for the benefit of the 2018 COP owners via the Assignment Agreement.

- **Certificate Purchase Agreement**

The Underwriter, Brandis Tallman LLC, commits to the purchase of the 2018 COPs under the terms and conditions specified in the Certificate Purchase Agreement, which is finalized and executed on the day of sale of the 2018 COPs.

- **Continuing Disclosure Agreement (CDA)**

The CDA is executed by the County for the benefit of the holders of the 2018 COPs and in order to assist Brandis Tallman LLC in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The CDA contains certain tables that will need to be updated annually by the County.

Financing Schedule

Following your Board's approval of today's financing documents, the next steps towards closing of the transaction are anticipated as follows:

- November 16 – receiving S&P credit rating
- Week of November 26 – post the POS
- Week of December 3 – Bonds are priced
- Week of December 17 – Bonds are closed



R18-__

**A RESOLUTION OF THE MONO COUNTY
BOARD OF SUPERVISORS AUTHORIZING THE EXECUTION
AND DELIVERY BY THE COUNTY OF A GROUND LEASE,
A LEASE AGREEMENT, A TRUST AGREEMENT, A CERTIFICATE
PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE
AGREEMENT WITH RESPECT TO THE EXECUTION
AND DELIVERY OF MONO COUNTY CERTIFICATES
OF PARTICIPATION 2018 SERIES A (MONO COUNTY CIVIC CENTER),
AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH
CERTIFICATES EVIDENCING PRINCIPAL IN AN AGGREGATE
AMOUNT NOT TO EXCEED \$24,000,000, AUTHORIZING THE
DISTRIBUTION OF AN OFFICIAL STATEMENT IN
CONNECTION THEREWITH AND AUTHORIZING EXECUTION
OF NECESSARY DOCUMENTS AND CERTIFICATES
AND RELATED ACTIONS**

WHEREAS, the County desires to finance certain costs of the construction of the Mono County Civic Center Project (the “Project”);

WHEREAS, in order to finance certain costs of the construction of the Project, the County will lease certain real property and the improvements thereto (the “Property”) to the County of Mono Economic Development Corporation (the “Corporation”) pursuant to a Ground Lease (such Ground Lease, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Ground Lease”);

WHEREAS, the County will sublease the Property back from the Corporation pursuant to a Lease Agreement (such Lease Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Lease Agreement”);

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to provide the funds necessary to finance certain costs of the construction of the Project through the execution and delivery, pursuant to a Master Trust Agreement (the “Trust Agreement”), by and among U.S. Bank National Association, as trustee (the “Trustee”), the Corporation and the County, of Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) (the “Certificates”) evidencing direct, fractional undivided interests in the base rental payments (the “Base Rental Payments”) to be made by the County under the Lease Agreement (such Trust Agreement, in the form presented to

this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”);

WHEREAS, Brandis Tallman, LLC (the “Underwriter”) has submitted to the County a proposal to purchase the Certificates in the form of a Certificate Purchase Agreement (such Certificate Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Certificate Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Certificates, the underwriter thereof must have reasonably determined that the County has, or one or more appropriate obligated persons have, undertaken in a written agreement or contract for the benefit of the holders of the Certificates to provide disclosure of certain financial information and certain enumerated events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the County desires to enter into a Continuing Disclosure Agreement with the Trustee (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Certificates has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Ground Lease;
- (b) the Lease Agreement;
- (c) the Trust Agreement;
- (d) the Certificate Purchase Agreement;
- (e) the Continuing Disclosure Agreement; and
- (f) the Preliminary Official Statement;

WHEREAS, pursuant to Government Code Section 5852.1, which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the Certificates is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public;

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the County is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the Mono County, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board of Supervisors of the County (the “Board”) so finds.

Section 2. The form of the Ground Lease, on file with the Clerk of the Board, is hereby approved. Each of the Chair of the Board, and any such other member of the Board as the Chair may designate, County Administrative Officer of the County, the Auditor-Controller of the County, the Treasurer of the County, and any such other officer of the County as such County Administrative Officer, Auditor-Controller or Treasurer may designate (the “Authorized Officers”), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Ground Lease in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ground Lease by such Authorized Officer.

Section 3. The form of the Lease Agreement, on file with the Clerk of the Board, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Lease Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Lease Agreement by such Authorized Officer; provided, however, that the aggregate amount of the principal components of the Base Rental Payments payable under the Lease Agreement shall not exceed \$24,000,000, the term of the Lease Agreement shall not exceed 30 years (provided that such term may be extended as provided therein) and the true interest cost applicable to the interest components of the Base Rental Payments payable under the Lease Agreement shall not exceed 5.00% per annum.

Section 4. The form of the Trust Agreement, on file with the Clerk of the Board, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Trust Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer.

Section 5. The execution and delivery of Certificates evidencing principal in an aggregate amount not to exceed \$24,000,000 payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 6. The form of the Certificate Purchase Agreement, on file with the Clerk of the Board, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Certificate Purchase Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Certificate Purchase Agreement by such Authorized Officer; provided, however, that the underwriter's discount for the sale of the Certificates shall not exceed 5.5% of the aggregate amount of principal evidenced by such Certificates.

Section 7. The form of Continuing Disclosure Agreement, on file with the Clerk of the Board, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the County, to execute and deliver the Continuing Disclosure Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

Section 8. The form of Preliminary Official Statement, on file with the Clerk of the Board, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Certificates is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify in writing on behalf of the County that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 9. The preparation and delivery of an Official Statement, and its use by the Underwriter in connection with the offering and sale of the Certificates, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the County, to execute the final Official Statement and any amendment or supplement thereto.

Section 10. If the Director of Finance or County Administrative Officer determines that it will be advantageous to the County to purchase municipal bond insurance or other credit enhancement with respect to some or all of the Certificates or to purchase one or more reserve fund surety policies or other credit instruments for the benefit of any reserve fund established for the Certificates or to obtain a particular rating or ratings on all or a portion of the Certificates, the Director of Finance and County Administrative Officer are each hereby authorized to purchase such insurance or other credit enhancement and such reserve fund surety policies or other credit

instruments at market rates and to take such other actions as may be necessary to obtain such rating or ratings. Without limiting the generality of the foregoing, the Director of Finance and County Administrative Officer are each hereby authorized to negotiate any and all terms of a commitment for such municipal bond insurance policy or other credit enhancement and such reserve fund surety policies or other credit instruments and to negotiate covenants of the County or approve such other changes to the proposed forms of the Lease Agreement, Ground Lease, Trust Agreement, Certificate Purchase Agreement, Official Statement, and Continuing Disclosure Agreement as may be necessary or appropriate to obtain such municipal bond insurance policy or other credit enhancement and such reserve fund surety policies or other credit instruments or to obtain a particular rating or ratings on all or a portion of the Certificates, in each case after consultation with County Counsel, Bond Counsel and Disclosure Counsel.

Section 11. The Authorized Officers and the officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 12. All actions heretofore taken by the officers, employees and agents of the County with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 13. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED this 13th day of November, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Bob Gardner, Chair
Mono County Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board

County Counsel

CERTIFICATE OF CLERK

I, Shannon Kendall, Clerk of the Board of Supervisors of the Mono County, California, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of the Mono County duly and regularly held at the regular meeting place thereof on November 13, 2018 of which meeting all of the members of said Board had due notice, and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at _____, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I, Shannon Kendall, Clerk of the Board of Supervisors of the Mono County, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on November 13, 2018.

Dated: November 13, 2018
File Number: 18-_____

Shannon Kendall, Clerk of the Board of Supervisors
Mono County, State of California

By _____

[SEAL]

APPENDIX A

Government Code Section 5852.1 Disclosure

The following information consists of estimates that have been provided by the County's municipal advisor which has been represented by such party to have been provided in good faith:

(A) True Interest Cost of the Certificates: 4.10%

(B) Finance Charge of the Certificates (Sum of all fees/charges paid to third parties): \$570,151.01

(C) Net Proceeds to be received (net of Finance Charges, reserves and capitalized interest, if any), assuming the entire authorized amount is drawn by the County: \$20,500,000.00

(D) Total Payment Amount through maturity, assuming the entire authorized amount is drawn by the County: \$38,662,446.67

The foregoing estimates constitute good faith estimates only. The principal component of the Certificates, the true interest cost of the Certificates, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the closing being different than the date assumed for purposes of such estimates, (b) the actual principal component of the Certificates being different from the estimated amount used for purposes of such estimates, (c) the schedule on which the County draws financing proceeds and the actual amortization of the principal component of the Certificates being different than the schedule and amortization assumed for purposes of such estimates, (d) the actual interest rate applicable to the Certificates being different than that estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the County's financing plan, or a combination of such factors. The actual closing date and the actual principal component of the Certificates will be determined by the County based on the timing of the need for proceeds of the financing and other factors. The actual interest rates applicable to the Certificates will depend on market interest rates on the closing date. The actual amortization of the principal component of the Certificates will also depend, in part, on the interest rate applicable to the Certificates. Market interest rates are affected by economic and other factors beyond the control of the County.

MASTER TRUST AGREEMENT

by and among

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

and

**COUNTY OF MONO
ECONOMIC DEVELOPMENT CORPORATION**

and

MONO COUNTY

Dated as of December 1, 2018

**Relating To
\$[____]
Mono County
Certificates of Participation
2018 Series A
(Mono County Civic Center)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS; EQUAL SECURITY	2
Section 1.01 Definitions.....	2
Section 1.02 Equal Security.....	9
ARTICLE II TERMS AND CONDITIONS OF CERTIFICATES.....	9
Section 2.01 Preparation and Delivery of Series 2018 Certificates.....	9
Section 2.02 The Series 2018 Certificates	9
Section 2.03 Terms of the Series 2018 Certificates.....	9
Section 2.04 Form of Series 2018 Certificates	10
Section 2.05 Execution of Certificates.....	11
Section 2.06 Registration Books.....	11
Section 2.07 Exchange of Certificates.....	11
Section 2.08 Book-Entry System.....	11
Section 2.09 Certificates Mutilated, Lost, Destroyed or Stolen	14
Section 2.10 Temporary Certificates	14
Section 2.11 Conditions for the Execution and Delivery of Additional Certificates	14
Section 2.12 Proceedings for Authorization of Additional Certificates	15
Section 2.13 Limitations on the Execution and Delivery of Certificates Payable from Base Rental Payments.....	16
ARTICLE III PROCEEDS OF SERIES 2018 CERTIFICATES.....	17
Section 3.01 Delivery of Series 2018 Certificates.....	17
Section 3.02 Proceeds of Series 2018 Certificates.....	17
Section 3.03 Project Fund.....	17
Section 3.04 Reserved.....	18
Section 3.05 Costs of Issuance Fund	18
ARTICLE IV PREPAYMENT OF CERTIFICATES.....	18
Section 4.01 Terms of Prepayment.....	18
Section 4.02 Selection of Series 2018 Certificates for Prepayment	18
Section 4.03 Notice of Prepayment	19
Section 4.04 Mandatory Sinking Account Payment.....	19
Section 4.05 Partial Prepayment of Series 2018 Certificates	20
Section 4.06 Effect of Prepayment	20
ARTICLE V FUNDS AND ACCOUNTS; RENTAL PAYMENTS.....	20
Section 5.01 Pledge; Base Rental Payment Fund	20
Section 5.02 Deposit of Base Rental Payments.....	21
Section 5.03 Rebate Fund	22
Section 5.04 Reserve Fund.....	23
Section 5.05 Investments	25
ARTICLE VI COVENANTS.....	26

TABLE OF CONTENTS
(continued)

	Page
Section 6.01 Application of Net Proceeds	26
Section 6.02 Title Insurance	27
Section 6.03 Compliance with Trust Agreement	27
Section 6.04 Compliance with Ground Lease and Lease Agreement.....	28
Section 6.05 Observance of Laws and Regulations.....	28
Section 6.06 Other Liens.....	28
Section 6.07 Prosecution and Defense of Suits	28
Section 6.08 Recordation	29
Section 6.09 Tax Covenants	29
Section 6.10 Continuing Disclosure	29
Section 6.11 Further Assurances.....	29
ARTICLE VII DEFAULTS AND REMEDIES	30
Section 7.01 Events of Default	30
Section 7.02 Action on Default.....	30
Section 7.03 Other Remedies of the Trustee	30
Section 7.04 Non-Waiver.....	30
Section 7.05 Remedies Not Exclusive	31
Section 7.06 No Liability by the Corporation to the Owners	31
Section 7.07 Application of Amounts After Default	31
Section 7.08 Trustee May Enforce Claims Without Possession of Certificates	31
Section 7.09 Limitation on Suits.....	32
Section 7.10 Bankruptcy Matters.....	32
ARTICLE VIII THE TRUSTEE	32
Section 8.01 Duties of the Trustee	32
Section 8.02 Removal; Resignation; Successor Trustees; Qualifications; Merger and Consolidation	33
Section 8.03 Liabilities of the Trustee	34
Section 8.04 Right to Rely on Documents.....	36
Section 8.05 Accounting Records; Documents	36
Section 8.06 Compensation and Indemnification	37
ARTICLE IX SUPPLEMENTAL TRUST AGREEMENTS.....	37
Section 9.01 Supplemental Trust Agreements.....	37
Section 9.02 Effect of Supplemental Trust Agreement	38
Section 9.03 Endorsement of Certificates; Preparation of New Certificates.....	38
Section 9.04 Amendment of Particular Certificates	39
ARTICLE X DEFEASANCE.....	39
Section 10.01 Discharge of Trust Agreement.....	39
Section 10.02 Certificates Deemed To Have Been Paid.....	40
Section 10.03 Unclaimed Moneys	41
ARTICLE XI MISCELLANEOUS	41

TABLE OF CONTENTS
(continued)

	Page
Section 11.01 Benefits of Trust Agreement.....	41
Section 11.02 Successor Deemed Included in all References to Predecessor	41
Section 11.03 Partial Invalidity.....	41
Section 11.04 Notices	41
Section 11.05 Execution of Documents by Owners	42
Section 11.06 Disqualified Certificates	43
Section 11.07 Destruction of Certificates	43
Section 11.08 Money Held for Particular Certificates.....	43
Section 11.09 Funds and Accounts.....	43
Section 11.10 Business Days	44
Section 11.11 Waiver of Personal Liability.....	44
Section 11.12 Interpretation.....	44
Section 11.13 Governing Law	44
Section 11.14 Execution in Counterparts.....	44
EXHIBIT A – FORM OF CERTIFICATE.....	A-1
EXHIBIT B – PERMITTED INVESTMENTS.....	B-1

MASTER TRUST AGREEMENT

This **MASTER TRUST AGREEMENT** (this “Trust Agreement”), dated as of December 1, 2018, is by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”), the COUNTY OF MONO ECONOMIC DEVELOPMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), and MONO COUNTY, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the “County”).

W I T N E S S E T H:

WHEREAS, the County desires to finance certain costs of the construction of the Mono County Civic Center Project (the “Project”);

WHEREAS, in order to finance the Project, the County will lease certain real property and the improvements thereto (the “Property”) to the Corporation pursuant to a Ground Lease, dated as of the date hereof (the “Ground Lease”), and the County will sublease the Property back from the Corporation pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to provide the funds necessary to finance the Project through the sale and delivery of Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) (the “Series 2018 Certificates”), evidencing direct, fractional undivided interests in the base rental payments to be made by the County under the Lease Agreement;

WHEREAS, all rights to receive such base rental payments have been assigned without recourse by the Corporation to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof (the “Assignment Agreement”);

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver the Series 2018 Certificates, each evidencing a direct, fractional undivided interest in such base rental payments; and

WHEREAS, the Corporation and the County may desire to provide for the execution and delivery of additional certificates of participation (the “Additional Certificates”) payable from the Base Rental Payments on a parity with the Series 2018 Certificates (the Series 2018 Certificates and any such Additional Certificates being collectively referred to as the “Certificates”); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Capitalized undefined terms used herein have the meanings ascribed thereto in the Lease Agreement.

“**Additional Certificates**” means Additional Certificates executed and delivered by the Trustee pursuant to Sections 2.11 and 2.12.

“**Additional Rental Payments**” means all amounts payable by the County as Additional Rental Payments pursuant to Section 3.03 of the Lease Agreement.

“**Assignment Agreement**” means the Assignment Agreement, dated as of December 1, 2018, by and between the Corporation and U.S. Bank National Association, as Trustee.

“**Authorized Corporation Representative**” means [the President, the Vice President, the Chief Financial Officer/Treasurer and the Secretary of the Corporation], and any other Person authorized by the Board of Directors of the Corporation to act on behalf of the Corporation under or with respect to this Trust Agreement.

“**Authorized County Representative**” means [the County Administrative Officer of the County, the Auditor-Controller of the County, the Treasurer of the County, the Director of Finance] and any other Person authorized by the Board of Supervisors of the County to act on behalf of the County under or with respect to this Trust Agreement.

“**Authorized Denominations**” means \$5,000 and whole multiples thereof.

“**Base Rental Payment Fund**” means the fund by that name established in accordance with Section 5.01 hereof.

“**Base Rental Payments**” means all amounts payable to the Corporation by the County as Base Rental Payments pursuant to Section 3.02 of the Lease Agreement.

“**Beneficial Owners**” means those Persons for whom the Participants have caused the Depository to hold Book-Entry Certificates.

“**Book-Entry Certificates**” means the Certificates registered in the name of the nominee of DTC, or any successor securities depository for the Certificates, as the registered owner thereof pursuant to the terms and provisions of Section 2.08 hereof.

“**Business Day**” means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city in which the Principal Office of the Trustee is located are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

“**Cede & Co.**” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Certificates.

“**Certificate Purchase Agreement**” means the Certificate Purchase Agreement, dated December __, 2018, by and between the Purchaser and the County relating to the Series 2018 Certificates.

[“**Certificate Insurance Policy**” means the insurance policy issued by the Certificate Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2018 Certificates when due.]

[“**Certificate Insurer**” means _____.]

[“**Certificate Reserve Policy**” means the debt service insurance policy issued by the Certificate Insurer and deposited into the Master Reserve Fund for the Series 2018 Certificates.

“**Certificates**” means, collectively, the Series 2018 Certificates and any Additional Certificates.

“**Code**” means the Internal Revenue Code of 1986.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of December 1, 2018, by and between the County and _____, as Dissemination Agent, as originally executed in connection with the Series 2018 Certificates and as it may from time to time be amended in accordance with the provisions thereof,

“**Corporation**” means the County of Mono Economic Development Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State, and its successors.

“**Costs of Issuance**” means all the costs of executing and delivering the Certificates, including, but not limited to, printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel (including the Trustee’s first annual administrative fee), fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Certificates and any other cost, charge or fee in connection with the original execution and delivery of the Certificates.

“**Costs of Issuance Fund**” means the fund by that name established in accordance with Section 3.05 hereof.

“**County**” means Mono County, a county and political subdivision of the State organized and existing under the laws of the State, and its successors.

“Defeasance Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or (b) obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America. Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity.

“Delivery Date” means December __, 2018.

“Depository” means the securities depository acting as Depository pursuant to Section 2.08 hereof.

“DTC” means The Depository Trust Company, New York, New York and its successors.

“Event of Default” means, with respect to the Trust Agreement, any event or circumstance specified in 7.01 hereof as an Event of Default.

“Fitch” means Fitch Ratings, its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Ground Lease” means the Ground Lease, dated as of December 1, 2018, by and between the County and the Corporation, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Lease Agreement.

“Interest Fund” means the fund by that name established in accordance with Section 5.02 hereof.

“Interest Payment Date” means _____ 1 and _____ 1 of each year commencing _____ 1, 201__.

“Lease Agreement” means the Lease Agreement, dated as of December 1, 2018, by and between the County and the Corporation, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“Letter of Representations” means the letter of the County delivered to and accepted by the Depository on or prior to the delivery of the Certificates as Book-Entry Certificates setting forth the basis on which the Depository serves as depository for such Book-Entry Certificates, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute Depository.

“Mandatory Sinking Account Payment” means the principal evidenced by Series 2018 Certificates required to be paid on each Mandatory Sinking Account Payment Date pursuant to Section 4.04 hereof.

“Mandatory Sinking Account Payment Date” means a date on which a Mandatory Sinking Account Payment is required to be paid pursuant to Section 4.04 hereof.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 hereof.

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the County.

“Outstanding,” when used as of any particular time with reference to Certificates, means, subject to the provisions of Section 11.06 hereof, all Certificates except (a) Certificates previously canceled by the Trustee or delivered to the Trustee for cancellation, (b) Certificates paid or deemed to have been paid within the meaning of Section 10.01 hereof, and (c) Certificates in lieu of which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 hereof.

“Owner” means any Person who shall be the registered owner of any Outstanding Certificate as indicated in the Registration Books.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Agreement.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Book-Entry Certificates as securities depository.

“Permitted Investments” is defined in Exhibit B attached hereto.

“Person” means an individual, corporation, firm, association, partnership, limited liability company, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Prepayment Fund” means the fund by that name established in accordance with Section 5.02 hereof.

“Principal Fund” means the fund by that name established in accordance with Section 5.02 hereof.

“**Principal Office**” means (a) the Trustee’s corporate trust office in San Francisco, California, except for purposes of the presentation and surrender of Certificates for payment, transfer or exchange, such office shall be the corporate trust agency or operations office of the Trustee, or (b) any other office designated by the Trustee.

“**Principal Payment Date**” means a date on which the principal component of the Base Rental Payments evidenced by the Series 2018 Certificates is scheduled to become due and payable pursuant to the Lease Agreement.

“**Project**” means the construction of the Mono County Civic Center Project.

“**Project Costs**” means all costs of acquiring, constructing, rehabilitating and installing the Project, including but not limited to:

(a) all costs which the County shall be required to pay to a seller or any other Person under the terms of any contract or contracts for the purchase of the Project;

(b) all costs which the County shall be required to pay a contractor or any other Person for the acquisition, construction, rehabilitation and installation of the Project;

(c) obligations of the County incurred for services (including obligations payable to the County for actual out-of-pocket expenses of the County) in connection with the acquisition, construction, rehabilitation and installation of the Project, including Costs of Issuance and reimbursement to the County for all advances and payments made in connection with the Project prior to or after delivery of the Certificates;

(d) the actual out-of-pocket costs of the County for test borings, surveys, estimates and preliminary investigations therefor, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction, rehabilitation and installation of the Project, including administrative expenses under the Lease Agreement and hereunder relating to the acquisition, construction, rehabilitation and installation of the Project; and

(e) any sums required to reimburse the County for advances made by the County for any of the above items or for any other costs incurred and for work done by the County which are properly chargeable to the Project

“**Project Fund**” means the fund by that name established in accordance with Section 3.03 hereof.

“**Property**” has the meaning ascribed thereto in the Lease Agreement.

“**Purchaser**” means Brandis Tallman, LLC, as underwriter and purchaser of the Series 2018 Certificates pursuant to the Certificate Purchase Agreement.

“**Rebate Fund**” means the fund by that name established in accordance with Section 5.03 hereof.

“**Rebate Requirement**” has the meaning ascribed thereto in the Tax Certificate.

“**Record Date**” means, with respect to any Interest Payment Date, the fifteenth day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“**Registration Books**” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Certificates pursuant to Section 2.06 hereof.

“**Rental Payments**” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“**Rental Period**” means the period from the Delivery Date through June 30, 2018 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

“**Reserve Account**” means the reserve account established pursuant to Section 5.04 hereof, which account may secure one or more Series of Additional Certificates as provided in the Supplemental Trust Agreement providing for the establishment thereof.

“**Reserve Facility**” means any line of credit, letter of credit, insurance policy, surety bond or similar instrument, in form reasonably satisfactory to the County, that (a) names the County as beneficiary thereof, (b) provides for payment on demand, (c) cannot be terminated by the issuer thereof so long as any of the Certificates secured by such Reserve Facility remain Outstanding, (d) is issued by an obligor, the obligations of which under the Reserve Facility are, at the time such Reserve Facility is substituted for all or part of the moneys on deposit in the applicable Reserve Account, rated in one of the two highest rating categories (without regard to any modifier) by any one rating agency then rating the Certificates secured by such Reserve Facility, and (e) is deposited with the Trustee pursuant to Section 5.04 hereof.

“**Reserve Fund**” means the fund by that name established pursuant to Section 5.04 hereof.

“**Reserve Fund Requirement**” [means, (a) with respect to the Series 2018 Certificates, as of the date of any calculation, the least of (i) [50]% of the maximum annual Base Rental Payment payable in any one-year period ending on [] 1 under the Lease Agreement, (ii) 10% of the original aggregate principal amount, and (iii) 125% of average annual Base Rental Payments payable in any one-year period ending on [] 1 under the Lease Agreement, and (b) with respect to any Series of Additional Certificates, such amount, if any, as shall be specified in the Supplemental Trust Agreement authorizing the issuance of such Series of Additional Certificates; provided, however, that in no event shall any Reserve Fund Requirement exceed an amount permitted by the Code. As of the initial execution of the Series 2018 Certificates, the Reserve Fund Requirement is \$[_____].]

“**Series**” means the Series 2018 Certificates executed, authenticated and delivered on the date of initial execution and delivery of this Trust Agreement and any Additional Certificates issued pursuant to a Supplemental Trust Agreement and identified as a separate Series of Certificates.

“**Series 2018 Certificates**” means the Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) executed and delivered by the Trustee pursuant hereto.

“**Series 2018 Certificates Capitalized Interest Account**” means the account by that name established within the Interest Fund in accordance with Section 5.02(a)(i) hereof.

“**S&P**” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“**State**” means the State of California.

“**Supplemental Trust Agreement**” means any supplemental trust agreement that modifies or amends the provisions of this Trust Agreement, but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

“**Tax Certificate**” means the Tax and Nonarbitrage Certificate executed by the County at the time of execution and delivery of the Series 2018 Certificates relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Tax-Exempt**” means, with respect to interest on any obligations of a state or local government, including the interest component of the Certificates, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

“**Trust Agreement**” means this Master Trust Agreement, dated as of December 1, 2018, by and among U.S. Bank National Association, as Trustee, the Corporation and the County, as originally executed and as it may from time to time be modified or amended by any Supplemental Trust Agreement.

“**Trustee**” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as Trustee hereunder, or any successor thereto as Trustee hereunder, substituted in its place as provided herein.

“**Verification Report**” means, with respect to the deemed payment of Certificates pursuant to clause (ii) of subsection (a) of Section 10.02 hereof, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii) of subsection (a) of Section 10.02 hereof.

“**Written Certificate**” and “**Written Request**” or “**Certificate of the County**” of the County mean, respectively, a written certificate or written request signed in the name of the County by an Authorized County Representative. Any such request may, but need not, be

combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Equal Security. In consideration of the acceptance of the Certificates by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the principal and interest evidenced by the Certificates which may be executed and delivered hereunder, subject to each of the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to security or otherwise of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

TERMS AND CONDITIONS OF CERTIFICATES

Section 2.01 Preparation and Delivery of Series 2018 Certificates. The Trustee is hereby authorized and directed to execute the Series 2018 Certificates and, upon the Written Request of the County, shall deliver the Series 2018 Certificates in the aggregate amount of \$[_____], evidencing the aggregate principal components of the Base Rental Payments and each evidencing a direct, fractional undivided interest in the Base Rental Payments. The Series 2018 Certificates shall be numbered, with or without prefixes, as directed by the Trustee.

Section 2.02 The Series 2018 Certificates. The Series 2018 Certificates shall be denominated “Mono County Certificates of Participation 2018 Series A (Mono County Civic Center)” shall be prepared in the form of fully registered Certificates, without coupons, in Authorized Denominations. The aggregate amount of principal evidenced by the Series 2018 Certificates that may be executed, delivered and Outstanding pursuant to this Trust Agreement shall not exceed \$[_____], except as may be otherwise provided in Section 2.09 hereof.

Section 2.03 Terms of the Series 2018 Certificates. (a) The Series 2018 Certificates shall be dated as of the Delivery Date. The principal evidenced by the Series 2018 Certificates shall become due and payable, subject to prior prepayment, on the dates, in the amounts, and shall evidence interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) set forth below:

<u>Principal Payment Date ([_____] 1)</u>	<u>Principal Component</u>	<u>Interest Rate</u>
[2019]	\$	%
2020		
2021		
2022		
2023		
2024		

2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036

(b) The interest evidenced by the Series 2018 Certificates shall be payable on each Interest Payment Date to and including their respective Principal Payment Dates or prepayment prior thereto, and shall represent the sum of the portions of the Base Rental Payments designated as interest components coming due on the Interest Payment Dates in each year. Interest evidenced by the Series 2018 Certificates shall be payable from the Interest Payment Date next preceding the date of execution and delivery thereof unless (i) a Certificate is executed and delivered on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest evidenced thereby shall be payable from such Interest Payment Date, (ii) a Certificate is executed and delivered on or before the first Record Date, in which event interest evidenced thereby shall be payable from the Delivery Date, or (iii) interest evidenced by any Certificate is in default as of the date of execution and delivery thereof, in which event interest evidenced thereby shall be payable from the date to which interest has previously been paid or duly provided for. Interest evidenced by the Series 2018 Certificates shall be paid in lawful money of the United States of America on each Interest Payment Date. Such interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2018 Certificates at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest evidenced by any Certificate that is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Certificate is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(c) The principal evidenced by the Series 2018 Certificates shall be payable in lawful money of the United States of America on their respective Principal Payment Dates in each year, upon presentation and surrender thereof at the Principal Office of the Trustee, and shall represent the sum of the portions of the Base Rental Payments designated as principal components coming due on the Principal Payment Dates in each year.

Section 2.04 Form of Series 2018 Certificates. The Series 2018 Certificates shall be in substantially the forms of Exhibit A hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

Section 2.05 Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized signatory of the Trustee.

Section 2.06 Registration Books. (a) The Trustee shall keep at its Principal Office sufficient books for the registration and transfer of the Certificates, which books shall be available for inspection and copying by the Corporation, the Trustee and the County at reasonable hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates on such books as hereinabove provided.

(b) The Trustee may treat the Owner of any Certificate, as shown on the Registration Books, as the absolute owner of such Certificate for all purposes, whether or not the principal or interest evidenced by such Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal evidenced by such Certificate shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability evidenced by such Certificate to the extent of the sum or sums so paid.

Section 2.07 Exchange of Certificates. (a) Each Certificate is transferable by the Owner thereof, in person or by such Owner's attorney duly authorized in writing, at the Principal Office of the Trustee on the Registration Books, upon surrender of such Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. Whenever any Certificate shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates evidencing principal in the same aggregate amount and having the same stated Principal Payment Date. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

(b) Each Certificate may be exchanged at the Principal Office of the Trustee for Certificates evidencing principal in a like aggregate amount and having the same stated Principal Payment Date in such Authorized Denominations as the Owner thereof may request. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) The Trustee shall not be required to transfer or exchange any Certificate during the period commencing on the date five days before the date of selection of Certificates for prepayment and ending on the date of mailing notice of such prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice of prepayment thereof.

Section 2.08 Book-Entry System. (a) The Series 2018 Certificates shall initially be executed and delivered as Book-Entry Certificates, and the Series 2018 Certificates for each stated Principal Payment Date shall be in the form of a separate single fully registered Certificate (which may be typewritten). The ownership of each Book-Entry Certificate shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. Payment of principal or interest evidenced by any Book-Entry Certificate registered in the name of the Nominee shall be made on the applicable Interest Payment Date or Principal Payment Date by

wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address which is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Certificates, the County, the Corporation and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such Book-Entry Certificates. Without limiting the immediately preceding sentence, the County, the Corporation and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Certificates, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Certificates, including any notice of prepayment, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Certificates to be prepaid in the event Series 2018 Certificates are prepaid in part, (iv) the payment to any Participant or any other person, other than an Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest evidenced by Book-Entry Certificates, or (v) any consent given or other action taken by the Depository as Owner.

(c) The County, the Corporation and the Trustee may treat and consider the person in whose name each Book-Entry Certificate is registered in the Registration Books as the absolute Owner of such Book-Entry Certificate for the purpose of payment of principal, prepayment premium, if any, and interest evidenced by such Certificate, for the purpose of selecting any Series 2018 Certificates, or portions thereof, to be prepaid, for the purpose of giving notices of prepayment and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the County, the Corporation and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a prepayment of all or a portion of a Certificate, the Depository, in its discretion, (i) may request the Trustee to execute and deliver a new Certificate, or (ii) if DTC is the sole Owner of such Certificate, shall make an appropriate notation on the Certificate indicating the date and amounts of the reduction in principal evidenced thereby resulting from such prepayment, except in the case of final payment, in which case such Certificate must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal, premium, if any, and interest evidenced by the Series 2018 Certificates only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State of California) the respective Owner, as shown in the Registration Books, or such Owner’s respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal, premium, if any, and interest evidenced by the Series 2018 Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Registration Books, shall receive a Certificate evidencing principal, premium, if any, and interest evidenced by the Series 2018 Certificates. Upon delivery by the Depository to the Owners, the Trustee and the County of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with

respect to Record Dates, the word Nominee in this Trust Agreement shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Certificates for the Depository's book-entry system, the County shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Corporation, the County or the Trustee any obligation whatsoever with respect to persons having interests in such Book-Entry Certificates other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the County, the County, the Corporation and the Trustee shall take such other actions, not inconsistent with this Trust Agreement, as are reasonably necessary to qualify Book-Entry Certificates for the Depository's book-entry program.

(g) In the event the County determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Series 2018 Certificates and that such Series 2018 Certificates should therefore be made available and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Series 2018 Certificates. In such event, the Trustee shall transfer and exchange certificated Series 2018 Certificates as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Certificates, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the County shall discontinue the Book-Entry system with the Depository. If the County determines to replace the Depository with another qualified securities depository, the County shall prepare or direct the preparation of a new single, separate, fully registered Certificate for each stated Principal Payment Date of such Book-Entry Certificates, registered in the name of such successor or substitute qualified securities depository or its nominee. If the County fails to identify another qualified securities depository to replace the Depository, then the Series 2018 Certificates shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Series 2018 Certificates shall designate, in accordance with the provisions of Sections 2.07 and 2.09 hereof. Whenever the Depository requests the County to do so, the County will cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Certificates to any Participant having Book-Entry Certificates credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Certificates.

(h) Notwithstanding any other provision of this Trust Agreement to the contrary, if DTC is the sole Owner of the Series 2018 Certificates, so long as any Book-Entry Certificate is registered in the Registration Books in the name of the Nominee, all payments of principal, premium, if any, and interest evidenced by such Certificate and all notices with respect to such Certificate shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Trust Agreement by the County, the Corporation or the Trustee, with respect to

any consent or other action to be taken by Owners, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date no later than 15 calendar days in advance of such record date to the extent possible. Notice to the Depository shall be given only when DTC is the sole Owner of the Series 2018 Certificates.

Section 2.09 Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate evidencing a like amount of principal and having the same stated Principal Payment Date and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate evidencing a like amount of principal and having the same stated Principal Payment Date, numbered as the Trustee shall determine, in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Certificates executed and delivered hereunder, and the Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of executing and delivering a new Certificate for a Certificate which has been lost, destroyed or stolen and which evidences principal that is then payable, the Trustee may make payment of such Certificate to the Owner thereof if so instructed by the County.

Section 2.10 Temporary Certificates. The Certificates may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery, which temporary Certificates shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it shall prepare and execute definitive Certificates without delay, and thereupon the temporary Certificates may be surrendered at the Principal Office of the Trustee in exchange for such definitive Certificates, and until so exchanged such temporary Certificates shall be entitled to the same benefits hereunder as definitive Certificates executed and delivered hereunder.

Section 2.11 Conditions for the Execution and Delivery of Additional Certificates.

The County may at any time request the Trustee to execute and deliver Additional Certificates pursuant to a Supplemental Trust Agreement, payable from the Base Rental Payments as provided herein and entitled to all the rights and privileges as provided herein and in the Lease Agreement, equal to the rights and privileges of the Outstanding Certificates theretofore executed and delivered hereunder, and subject to the following specific conditions, which are hereby made conditions precedent to the execution and delivery of any such Additional Certificates:

(a) No Event of Default shall be continuing after giving effect to the execution and delivery of the Additional Certificates and the application of the proceeds thereof.

(b) The Supplemental Trust Agreement shall require that the proceeds of the sale of such Additional Certificates shall be applied to finance or refinance capital improvements, or for the prepayment of any Base Rental Payments evidenced by Outstanding Certificates or other obligations of the County executed, delivered or issued to finance or refinance capital improvements, including the payment of costs and expenses incident to the authorization, execution and delivery, and sale of such Additional Certificates. The Supplemental Trust Agreement may also provide that a portion of such proceeds shall be applied to the payment of the interest due or to become due on said Additional Certificates during the estimated period of any construction and for a period of not to exceed twelve (12) months thereafter.

(c) The Supplemental Trust Agreement shall indicate whether the Additional Certificates (i) are secured by any Reserve Account, or (iii) not be secured by any Reserve Account.

(d) The aggregate principal amount of Certificates executed and delivered and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Trust Agreement or by any Supplemental Trust Agreement.

(e) The Lease Agreement shall have been amended, if necessary, so that the Base Rental Payments payable by the County thereunder in each Rental Period shall at least equal the projected principal and interest components of Base Rental Payments evidenced by the Outstanding Certificates, including the Additional Certificates, in each Rental Period.

(f) If the additional facilities, if any, to be leased are not situated on the Property described in the Lease Agreement and the Ground Lease, then the Lease Agreement and Ground Lease shall have been amended to add such additional Property.

(g) The County shall have delivered to the Trustee and the Corporation a Certificate stating that the annual fair rental value of the Project is at least equal to the maximum annual amount of Base Rental Payments payable with respect to the then Outstanding Series 2018 Certificates and such Additional Certificates coming due in the current or any future year ending _____.

Section 2.12 Proceedings for Authorization of Additional Certificates. Whenever the Trustee and the County shall determine to execute and deliver any Additional Certificates pursuant to Section 2.11, the County, the Corporation and the Trustee shall enter into a Supplemental Trust Agreement providing for the execution and delivery of such Additional

Certificates, specifying the maximum aggregate principal component of Base Rental Payments evidenced by such Additional Certificates and prescribing the terms and conditions of such Additional Certificates.

The Supplemental Trust Agreement shall prescribe the form or forms of such Additional Certificates and, subject to the provisions of Section 2.11, shall provide for the distinctive designation, denominations, method of numbering, dates, interest component rates, provisions for prepayment (if desired) and places of payment of principal and interest components of Base Rental Payments evidenced by the Additional Certificates.

Before such Additional Certificates shall be executed and delivered, the County and the Corporation shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Special Counsel setting forth (1) that such Special Counsel has examined the Supplemental Trust Agreement and the amendments to the Lease Agreement and to the Ground Lease required by Sections 2.11(d) and (e); (2) that the execution and delivery of the Additional Certificates have been duly authorized by the County and the Corporation; (3) that said amendments to the Lease Agreement and to the Ground Lease, when duly executed by the County and the Corporation, will be valid and binding obligations of the County and the Corporation; and (4) that the execution and delivery of the Additional Certificates will not, in and of itself, cause the interest component of Base Rental Payments evidenced by any Outstanding Certificates to no longer be excluded from gross income for federal income tax purposes.

(b) A Certificate of the County that the requirements of Section 2.11 have been met.

(c) A Certificate of the County stating that the insurance required by Article V of the Lease Agreement is in effect with respect to all of the Property to be subject to the Lease Agreement following any amendment thereto pursuant to Sections 2.11(d) and (e).

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Written Certificates of the County and of the Corporation stating that all applicable provisions of this Trust Agreement have been complied with (so as to permit the execution and delivery of the Additional Certificates in accordance with the Supplemental Trust Agreement then delivered to the Trustee), the Trustee shall execute and deliver said Additional Certificates, in the aggregate amount of the principal component of Base Rental Payments evidenced by the Additional Certificates specified in such Supplemental Trust Agreement, to, or upon the Written Request of the County.

Section 2.13 Limitations on the Execution and Delivery of Certificates Payable from Base Rental Payments. The County shall not request, and the Trustee shall not, so long as any of the Certificates are Outstanding, execute and deliver or issue any obligations, evidence of obligations or securities, however denominated, payable in whole or in part from Base Rental Payments except the following:

(a) Certificates authorized pursuant to Sections 2.01, 2.02 and 2.03; and

(b) Certificates of any Series authorized pursuant to Sections 2.11 and 2.12.

ARTICLE III

PROCEEDS OF SERIES 2018 CERTIFICATES

Section 3.01 Delivery of Series 2018 Certificates. The Trustee is hereby authorized to deliver the Series 2018 Certificates to the Purchaser pursuant to the Certificate Purchase Agreement upon receipt of a Written Request of the County and upon receipt of the proceeds of sale thereof.

Section 3.02 Proceeds of Series 2018 Certificates. The proceeds of the sale of the Series 2018 Certificates received by the Trustee, \$[____], comprised of \$_____ aggregate principal amount, plus an original issue premium of \$_____, less an underwriter's discount of \$_____, [and less the amount of \$_____, which was wired directly to the Certificate Insurer for the payment of the premiums for the Certificate Insurance Policy and the Certificate Reserve Policy], shall be applied by the Trustee as follows:

(a) the Trustee shall deposit in the Project Fund \$[____] from the proceeds of the sale as set forth above;

(b) the Trustee shall deposit in the Series 2018 Certificates Capitalized Interest Account of the Interest Fund \$[____] from the proceeds of the sale as set forth above;

(c) [the Trustee shall deposit in the Reserve Account \$[____] which will equal the initial Reserve Fund Requirement] [the Trustee shall deposit the Certificate Reserve Policy in the [Reserve Account], to satisfy the Reserve Fund Requirement]. The initial Reserve Fund Requirement is \$____; and

(d) the Trustee shall deposit in the Costs of Issuance Fund the amount of \$[____] from the proceeds of sale as set forth above.

Section 3.03 Project Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Project Fund." On the Delivery Date, the Trustee shall deposit in the Project Fund the amount required to be deposited therein pursuant to Section 3.02 hereof.

(b) The moneys in the Project Fund shall be used and withdrawn by the Trustee from time to time to pay the Project Costs upon submission of a Written Request of the County (a form of which is attached hereto Exhibit C) stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment constitutes a Project Cost and is a proper charge against the Project Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Project Fund, in each case together with a statement or invoice for each amount requested thereunder.

(c) Upon the filing of a Written Certificate of the County stating (i) that the portion of the Project to be financed from the Project Fund has been completed and that all costs of such Project have been paid, or (ii) that such portion of the Project has been substantially completed and that all remaining costs of such portion of the Project have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the Project Fund (less any such retention) is equal to or greater than \$25,000, transfer the portion of such

amount equal to the largest integral multiple of \$5,000 that is not greater than such amount to the Prepayment Fund, to be applied to the prepayment of Series 2018 Certificates, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the Project Fund (less any such retention) to the Interest Fund, to be applied to the payment of interest evidenced by the Series 2018 Certificates.

Section 3.04 Reserved.

Section 3.05 Costs of Issuance Fund. (a) The Trustee shall establish and maintain a separate fund designated the “Costs of Issuance Fund.” On the Delivery Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 3.02 hereof.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the County (a form of which is attached hereto Exhibit C) stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is a proper charge against the Costs of Issuance Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Delivery Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Interest Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.01 Terms of Prepayment. (a) *Extraordinary Prepayment.* The Series 2018 Certificates are subject to prepayment on any date prior to their stated Principal Payment Dates, in whole or in part, in Authorized Denominations, from and to the extent of any Net Proceeds received with respect to all or a portion of the Property and deposited by the Trustee in the Prepayment Fund in accordance with the provisions hereof, at a prepayment price equal to the principal evidenced by the Series 2018 Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

(b) *Optional Prepayment.* The Series 2018 Certificates shall be subject to optional prepayment on any date on or after ____ 1, 20__, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to Section 3.08 of the Lease Agreement, any such prepayment to be at a price equal to the principal evidenced by the Series 2018 Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Section 4.02 Selection of Series 2018 Certificates for Prepayment. Whenever less than all the Outstanding Series 2018 Certificates are to be prepaid on any one date, the Trustee shall select the Series 2018 Certificates to be prepaid (a) with respect to any prepayment pursuant to Section 4.01(a) hereof, among Series 2018 Certificates with different stated Principal

Payment Dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Series 2018 Certificates are abated pursuant to Section 3.07 of the Lease Agreement, and (b) with respect to any prepayment pursuant to Section 4.01(b) hereof, by selecting such Series 2018 Certificates as evidence the prepaid Base Rental Payments determined by the County to be prepaid pursuant to Section 3.08 of the Lease Agreement, and by lot among Series 2018 Certificates with the same stated Principal Payment Date in any manner that the Trustee deems fair and appropriate, which decision shall be final and binding upon the County, the Corporation and the Owners.

Section 4.03 Notice of Prepayment. (a) The Trustee shall mail (by first class mail) notice of any prepayment to the respective Owners of any Series 2018 Certificates designated for prepayment at their respective addresses appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for prepayment. Such notice shall state the date of the notice, the prepayment date, the prepayment place and the prepayment price and shall designate the CUSIP numbers, if any, the Certificate numbers and the stated Principal Payment Date or Principal Payment Dates of the Series 2018 Certificates to be prepaid (except in the event of prepayment of all of the Series 2018 Certificates in whole), and shall require that such Series 2018 Certificates be then surrendered at the Principal Office of the Trustee for prepayment at the prepayment price, giving notice also that further interest evidenced by such Series 2018 Certificates will not accrue from and after the date fixed for prepayment. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the prepayment of the Series 2018 Certificates or the cessation of accrual of interest evidenced thereby from and after the date fixed for prepayment.

(b) With respect to any notice of any optional prepayment of Series 2018 Certificates, unless at the time such notice is given the Series 2018 Certificates to be prepaid shall be deemed to have been paid within the meaning of Section 10.02 hereof, such notice shall state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the prepayment price of, and accrued interest evidenced by, the Series 2018 Certificates to be prepaid, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2018 Certificates shall not be required to be prepaid. In the event a notice of prepayment of Series 2018 Certificates contains such a condition and such moneys are not so received, the prepayment of Series 2018 Certificates as described in the conditional notice of prepayment shall not be made and the Trustee shall, within a reasonable time after the date on which such prepayment was to occur, give notice to the Persons and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there shall be no prepayment of Series 2018 Certificates pursuant to such notice of prepayment.

Section 4.04 Mandatory Sinking Account Payment. (a) The Series 2018 Certificates with a stated Principal Payment Date of [___] 1, 20__ are subject to prepayment prior to their stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each [___] 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such Series 2018 Certificates to be so prepaid and the dates therefor shall be as follows:

Prepayment Date
([] 1)

Principal
To Be Prepaid
\$

(b) If some but not all of the principal evidenced by the Series 2018 Certificates with a stated Principal Payment Date of [] 1, 20__ is prepaid pursuant to subsection (a) of this Section, the principal evidenced by the Series 2018 Certificates with a stated Principal Payment Date of [] 1, 20__ to be prepaid pursuant to this subsection on any subsequent [] 1 shall be reduced by the aggregate principal evidenced by such Series 2018 Certificates so prepaid pursuant to subsection (a) of this Section, such reduction to be allocated among prepayment dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Series 2018 Certificates payable on such prepayment dates are abated pursuant to Section 3.07 of the Lease Agreement as a result of the event that caused such Series 2018 Certificates to be prepaid pursuant to subsection (a) of this Section in amounts of Authorized Denominations.

Section 4.05 Partial Prepayment of Series 2018 Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof a new Certificate or Series 2018 Certificates evidencing the unprepaid principal evidenced by the Certificate surrendered.

Section 4.06 Effect of Prepayment. (a) If notice of prepayment has been duly given as aforesaid and moneys for the payment of the prepayment price of the Series 2018 Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice, the Series 2018 Certificates so called for prepayment shall become payable at the prepayment price specified in such notice; and from and after the date so designated, interest evidenced by the Series 2018 Certificates so called for prepayment shall cease to accrue, such Series 2018 Certificates shall cease to be entitled to any benefit or security hereunder and the Owners of such Series 2018 Certificates shall have no rights in respect thereof except to receive payment of the prepayment price thereof, and such moneys shall be pledged to such prepayment. The Trustee shall, upon surrender for payment of any of the Series 2018 Certificates to be prepaid, pay such Series 2018 Certificates at the prepayment price thereof.

(b) All Series 2018 Certificates prepaid pursuant to the provisions of this Article shall be canceled by the Trustee and shall not be redelivered.

ARTICLE V

FUNDS AND ACCOUNTS; RENTAL PAYMENTS

Section 5.01 Pledge; Base Rental Payment Fund. (a) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the County's obligations hereunder and under the

Lease Agreement, the County hereby irrevocably pledges to the Owners, and grants a lien on and a security interest in, all of its right, title and interest, if any, in and to all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund), which amounts shall be used for the payment of the Base Rental Payments, in accordance with the terms hereof and of the Lease Agreement. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the County, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Trust Agreement, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

(b) It is the intent of the parties hereto that the Corporation not have any right, title or interest in or to the amounts on deposit from time to time in the funds and accounts established hereunder. If, contrary to the intent of the parties hereto, the Corporation is found to have any right, title or interest in or to any such amounts, then, subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Corporation hereby irrevocably pledges to the Owners, and grants a lien on and a security interest in, all of its right, title and interest, if any, in and to all amounts on deposit from time to time in the funds and accounts established hereunder (other than the Rebate Fund). Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Corporation, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Trust Agreement, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

(c) All Base Rental Payments shall be paid directly by the County to the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof. All Base Rental Payments paid by the County shall be deposited by the Trustee in the Base Rental Payment Fund, which the Trustee shall establish and maintain. The moneys in the Base Rental Payment fund shall be held in trust by the Trustee for the benefit of the Owners and shall be disbursed only for the purposes and uses herein authorized. Any Net Proceeds of rental interruption insurance received with respect to the Property shall be deposited in the Base Rental Payment Fund.

Section 5.02 Deposit of Base Rental Payments. The Trustee shall transfer the amounts on deposit in the Base Rental Payment Fund, at the times and in the manner hereinafter provided, to the following respective funds, each of which the Trustee hereby agrees to establish and maintain. The moneys in each of such funds shall be held in trust by the Trustee and shall be disbursed only for the purposes and uses herein authorized.

(a) *Interest Fund.* (i) Within the Interest Fund, the Trustee shall create the Series 2018 Certificates Capitalized Interest Account. Moneys in the Series 2018 Certificates Capitalized Interest Account shall be used to pay a [portion] of interest on the Series 2018 Certificates to the extent necessary until the earlier of (i) the date that is [six] months following the filing of the Certificate of County certifying completion of the Project with the Trustee as set

forth in Section 3.03(c), or (ii) _____, 20___. If after the date that is six months following the filing of the Certificate of County is prior to _____, 20___, there is any remaining balance in the Series 2018 Certificate Capitalized Interest Account not required for the payment of interest on the Series 2018 Certificates prior to the date that is [six] months following the filing of the Certificate of County, the County shall use or allocate to the extent permitted by the Code said amount to be used toward the Project or to any purpose approved by Special Counsel.

(b) The Trustee, on each Interest Payment Date, shall deposit in the Interest Fund that amount of moneys representing the portion of the Base Rental Payments designated as the interest component coming due on such Interest Payment Date. On each Interest Payment Date, the Trustee shall withdraw from the Interest Fund for payment to the Owners of the Series 2018 Certificates the interest evidenced by the Series 2018 Certificates coming due on such Interest Payment Date.

(c) *Principal Fund.* The Trustee, on each Principal Payment Date, shall deposit in the Principal Fund that amount of moneys representing the portion of the Base Rental Payments designated as principal components coming due on such Principal Payment Date. On each Principal Payment Date, the Trustee shall withdraw from the Principal Fund for payment to the Owners of the Series 2018 Certificates the principal evidenced by the Series 2018 Certificates due and payable on such Principal Payment Date.

(d) *Prepayment Fund.* The Trustee, on the prepayment date specified in the Written Request of the County filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease Agreement, shall deposit in the Prepayment Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Additionally, the Trustee shall deposit in the Prepayment Fund any amounts required to be deposited therein pursuant to Section 6.01 or Section 6.02 hereof. Moneys in the Prepayment Fund shall be used by the Trustee for the purpose of paying the interest, premium, if any, and principal evidenced by the Series 2018 Certificates to be prepaid.

(e) All money remaining in the Base Rental Payment Fund on the Business Day immediately following each Interest Payment Date (to the extent not required to pay the interest and principal then due and payable with respect to the Series 2018 Certificates) shall remain therein, except that any such money shall be withdrawn from the Base Rental Payment Fund on such date by the Trustee and transferred to the Reserve Fund to the extent the amount in the Reserve Fund is less than the Reserve Fund Requirement. Any money remaining in the Base Rental Payment Fund, after prepayment or payment of all Series 2018 Certificates, including accrued interest, if any, and payment of any applicable fees and expenses of the Trustee, or provision for such prepayment or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee from the Base Rental Payment Fund and remitted to the County for the County's sole use.

Section 5.03 Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the County. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the

United States of America. Notwithstanding defeasance of the Series 2018 Certificates pursuant to Article X hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall have no liability or responsibility to review, or enforce compliance by the County with, the terms of the Tax Certificate. The Trustee may conclusively rely upon the County's determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the County's calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the principal and interest evidenced by the Series 2018 Certificates and after payment of any amounts described in this Section, shall be withdrawn by the Trustee and remitted to the County.

Section 5.04 Reserve Fund.

(a) The County agrees to establish and maintain with the Director of Finance so long as any Certificates are Outstanding a separate fund designated the "Reserve Fund." Within the Reserve Fund, the County shall establish and maintain a separate account designated the "Series 2018 Certificates Reserve Account" and may establish and maintain one or more additional Reserve Accounts, each of which may secure one or more Series of Certificates, pursuant hereto and to the Supplemental Trust Agreement authorizing the execution and delivery thereof. In connection with the execution and delivery of Additional Certificates, there shall be deposited in the Reserve Account established and/or maintained for such Additional Certificates, as applicable, the amount required to be deposited therein under the Supplemental Trust Agreement pursuant to which such Additional Certificates are issued.

(b) The County may substitute a Reserve Facility for all or part of the moneys on deposit in any Reserve Account by depositing such Reserve Facility with the Director of Finance, provided that, at the time of such substitution, the amount on deposit in such Reserve Account, together with the amount available under all Reserve Facilities on deposit in such Reserve Account, shall be at least equal to the Reserve Fund Requirement for such Reserve Account. Moneys for which a Reserve Facility has been substituted as provided herein shall be transferred, at the election of the County, to the Prepayment Account for the purpose of prepaying the related Series of Certificates or, upon receipt of an Opinion of Counsel that such transfer will not, in and of itself, result in the inclusion of interest on Outstanding Tax-Exempt Certificates in gross income for federal income tax purposes, to the County and applied to the payment of capital costs of the County. Amounts on deposit in any Reserve Account which were not derived from payments under any Reserve Facility credited to such Reserve Account to satisfy a portion of the Reserve Fund Requirement for such Reserve Account shall be used and withdrawn by the County prior to using and withdrawing any amounts derived from payments under such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the County shall, as and to the extent necessary, liquidate any investments purchased with such amounts.

(c) In the event that, on the second Business Day prior to a date on which the Trustee is to transfer money from the Base Rental Payment Fund to the Interest Funds pursuant to

subsection (a) of Section 5.01 hereof or to the Principal Funds pursuant to subsection (b) of Section 5.01 hereof, amounts in the Base Rental Payment Fund are insufficient for such purpose, the County shall withdraw from each Reserve Account, to the extent of any funds therein, the amount of the insufficiency of the related Series of Certificates, and shall transfer any amounts so withdrawn first to the Trustee for deposit to the related Interest Fund and then to the related Principal Fund. If the amount on deposit in any Reserve Account is not sufficient to make such transfer, the County shall make a claim under any available Reserve Facility, in accordance with the provisions thereof, in order to obtain an amount sufficient to allow the County to make such transfer as and when required.

(d) In the event of any transfer from a Reserve Account or the making of any claim under a Reserve Facility, the County shall, within two Business Days thereafter, provide written notice to the Trustee of the amount and the date of such transfer or claim; provided, however, that such notice need not be provided if such transfer is made pursuant to subsection (f) or subsection (g) of this Section.

(e) If the sum of the amount on deposit in any Reserve Account, plus the amount available under all available Reserve Facilities held for such Reserve Account, is less than the Reserve Fund Requirement for such Reserve Account, the first of Base Rental Payments thereafter received from the County under the Lease Agreement and not needed to pay the principal and interest components on the Certificates on the next Interest Payment Date or Principal Payment Date shall be used, first, to reinstate the amounts available under any Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Accounts, so that the amount available under all available Reserve Facilities, when added to the amount on deposit in the Reserve Fund, shall equal the Reserve Requirement for each Reserve Account; provided, however, that such Base Rental Payments shall be allocated among all Reserve Accounts ratably without preference or priority of any kind, according to each Reserve Account's percentage share of the total deficiencies in all Reserve Accounts.

(f) If, as a result of the payment of the principal and interest components of any Series of Certificates, the Reserve Fund Requirement applicable to such Series of Certificates is reduced, amounts on deposit in the applicable Reserve Account in excess of such reduced Reserve Fund Requirement shall be transferred to the related Interest Fund(s) and Principal Fund(s) of the Base Rental Payment Fund as directed in a Request of the County.

(g) On any date on which Certificates of a Series are defeased in accordance with Article XI hereof, the County shall transfer any moneys in the related Reserve Account in excess of the applicable Reserve Fund Requirement resulting from such defeasance to the Trustee to be applied to such defeasance.

(h) Moneys, if any, on deposit in a Reserve Account shall be withdrawn and applied by the County and transferred to the Trustee for the final payments of the principal and interest components of the Series of Certificates secured by such Reserve Account.

(i) All money on deposit in any Reserve Account in excess of the Reserve Fund Requirement shall, on or before [] 1 and [] 1 of each year (beginning on [] 1, 20__), be withdrawn by the Director of Finance from such Reserve Account and transferred to the

Trustee for deposit by the Trustee in the Base Rental Payment Fund; and for this purpose all investments in any Reserve Account shall be valued on [] 1 and [] 1 of each year (beginning on [] 1, 20__) at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the holder, at his option, if so redeemable, or if not so redeemable, at the market value of such investments.

The County and the Corporation (to the extent of their rights, if any, in the Reserve Fund, although it is the intent of the parties hereto that the Corporation not have any right, title or interest in or to the Reserve Fund) hereby pledge and grant a first and exclusive lien on and a security interest in the money in any Reserve Account to the Director of Finance for the benefit of the Owners of the related Series of Certificates secured by such Reserve Account in order to secure the County's obligation to pay the allocable Base Rental Payments under the Lease Agreement.

Section 5.05 Investments. (a) Except as otherwise provided herein, any moneys held by the Trustee in the funds and accounts established hereunder shall be invested by the Trustee upon the Written Request of the County only in Permitted Investments, and in the absence of such direction shall be invested by the Trustee in Permitted Investments described in paragraph (6) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the County specifying a specific money market fund and, if no such Written Request of the County is so received, the Trustee shall hold such moneys uninvested. The Trustee may act as principal or agent in the acquisition or disposition of any such investment. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section. The Trustee shall sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment of the funds so invested, and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption. Permitted Investments that are registerable securities shall be registered in the name of the Trustee.

(b) Permitted Investments purchased with funds on deposit in the Base Rental Payment Fund shall mature not later than the payment date immediately succeeding the investment. Permitted Investments purchased with funds on deposit in the Prepayment Fund shall either be held uninvested or invested in Defeasance Securities that mature on or prior to the prepayment date on which such funds are to be applied to the prepayment of Certificates.

(c) Subject to the provisions of Section 5.03 hereof, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Trust Agreement shall be retained therein.

(d) All investments of amounts deposited in any fund or account established hereunder shall be valued at the market value thereof. In determining market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally

recognized pricing information service (including brokers and dealers in securities) available to it.

(e) The County acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the County the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the County will not receive such confirmation to the extent permitted by law. The Trustee will furnish the County periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VI

COVENANTS

Section 6.01 Application of Net Proceeds. (a) If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the County shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the County elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions hereof.

(b) The Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the County, together with invoices therefor. Pending such application, such proceeds may be invested by the Trustee as directed by the County in Permitted Investments that mature not later than such times as moneys are expected to be needed to pay such costs of repair or replacement.

(c) Notwithstanding the foregoing, the County shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the County intends to replace or repair the Property or the portions of the Property which were damaged or destroyed. If the County does intend to replace or repair the Property or portions thereof, the County shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account referred to in subsection (b) of this Section.

(d) If such damage, destruction or loss was such that there resulted a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments results (or would result if moneys were not available for the payment of the Rental Payments in any of the funds and accounts established under the Trust Agreement) from such damage or destruction pursuant to Section 3.07 of the Lease Agreement, then the County shall be required either to (i) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Property or the portions thereof which have been damaged to the condition which existed prior to such damage or destruction, or (ii) apply sufficient funds from the insurance proceeds and other legally available funds to the prepayment, as set forth in Section 4.01(a) hereof, in full of all the Outstanding

Certificates or all of those Outstanding Certificates which evidence that portion of the Base Rental Payments which are abated as a result of the damage or destruction. If the County is required to apply funds from the insurance proceeds and other legally available funds to be applied to the prepayment of Certificates in accordance with clause (ii) above, the County shall direct the Trustee, in a Written Request of the County, to transfer the funds to be applied to such prepayment to the Prepayment Fund and the Trustee shall transfer such funds to the Prepayment Fund. Any proceeds of any insurance, including the proceeds of any self-insurance remaining after the portion of the Property which was damaged or destroyed is restored to and made available to the County in substantially the same condition and annual fair rental value as that which existed prior to the damage or destruction as required by clause (i) above or the prepayment of Certificates as required by clause (ii) above, in each case as evidenced by a Written Certificate of the County to such effect, shall, if there is first delivered to the Trustee a Written Certificate of the County to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Lease Agreement in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Property after such damage or destruction is at least equal to the sum of the then unpaid principal components of Base Rental Payments, be paid to the County to be used for any lawful purpose.

(e) The proceeds of any award in eminent domain with respect to the Property shall be deposited by the Trustee in the Prepayment Fund and applied to the prepayment of Outstanding Certificates pursuant to Section 4.01(a) hereof.

Section 6.02 Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the County determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the County under the Lease Agreement, such proceeds shall be remitted to the County, upon Written Request of the County to the Trustee, and used for any lawful purpose thereof; or

(b) if the County determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and would result in an abatement in whole or in part of Rental Payments payable by the County under the Lease Agreement, then the County shall, in a Written Request of the County, direct the Trustee to, and the Trustee shall, immediately deposit such proceeds in the Prepayment Fund and such proceeds shall be applied to the prepayment of Certificates in the manner provided in Section 4.01(a) hereof.

Section 6.03 Compliance with Trust Agreement. Each of the Corporation and the County shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in this Trust Agreement required to be complied with, kept, observed and performed by it.

Section 6.04 Compliance with Ground Lease and Lease Agreement. Each of the Corporation and the County shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Ground Lease and the Lease Agreement required to be complied with, kept, observed and performed by it and, together with the Trustee, shall enforce the Ground Lease and the Lease Agreement against the other party thereto in accordance with their respective terms.

Section 6.05 Observance of Laws and Regulations. The Corporation, the County and the Trustee shall faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 6.06 Other Liens. (a) The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, other than Permitted Encumbrances, and free from any claim or liability which materially impairs the County in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

(b) The Corporation and the Trustee shall not encumber the Property other than in accordance with the Ground Lease, the Lease Agreement, this Trust Agreement and the Assignment Agreement.

(c) None of the Trustee, the Corporation or the County shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

Section 6.07 Prosecution and Defense of Suits. The County shall promptly, upon request of the Trustee or any Owner, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, shall prosecute all actions, suits or other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees,

which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 6.08 Recordation. The County shall record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement, the Ground Lease and the Assignment Agreement, or memoranda thereof.

Section 6.09 Tax Covenants. (a) The County shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest evidenced by the Series 2018 Certificates and any Tax-Exempt Additional Certificates under Section 103 of the Code. Without limiting the generality of the foregoing, the County will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2018 Certificates and any Tax-Exempt Additional Certificates.

(b) In the event that at any time the County is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the County shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the County shall provide to the Trustee an Opinion of Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest evidenced by the Series 2018 Certificates and any Tax-Exempt Additional Certificates, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.10 Continuing Disclosure. The County shall comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of this Trust Agreement, failure of the County to comply with the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder; provided, however, that the Trustee may (and, at the written direction of the Owners of at least 25% of the aggregate amount of principal evidenced by Outstanding Certificates and upon being indemnified to its reasonable satisfaction, shall) or any Owner or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.11 Further Assurances. Whenever and so often as requested to do so by the Trustee or any Owner, the Corporation and the County shall promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Assignment Agreement, the Ground Lease or the Lease Agreement.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01 Events of Default. The occurrence of an Event of Default under the Lease Agreement shall constitute an Event of Default under this Trust Agreement.

Section 7.02 Action on Default. In each and every case during the continuance of an Event of Default hereunder, the Trustee may, and, at the direction of the Owners of not less than a majority of the aggregate amount of principal evidenced by Certificates then Outstanding, shall, exercise any of the remedies granted to the Corporation under the Lease Agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by this Trust Agreement or by the Certificates, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.03 hereof.

Section 7.03 Other Remedies of the Trustee. Subject to the provisions of Section 7.02 hereof, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the County or the Corporation or any member, director, officer or employee thereof, and to compel the County or the Corporation or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee or the Owners; or

(c) by suit in equity upon the happening of any Event of Default hereunder to require the County and the Corporation to account as if it or they were the trustee or trustees of an express trust.

Section 7.04 Non-Waiver. (a) A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as the Trustee shall deem expedient.

(b) If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner, then subject to any adverse determination, the Trustee, such Owner, the Corporation and the County shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05 Remedies Not Exclusive. Subject to the provisions of Section 7.02 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.06 No Liability by the Corporation to the Owners. The Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the County, or with respect to the performance by the County of the other agreements and covenants required to be performed by it contained in the Lease Agreement, the Ground Lease or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 7.07 Application of Amounts After Default. Upon the occurrence and during the continuance of an Event of Default hereunder, moneys held by the Trustee in the funds and accounts established hereunder (other than the Rebate Fund) and all payments received by the Trustee with respect to the rental of the Property (including, without limitation, any proceeds received in connection with the sale, assignment or sublease of the Corporation's right, title and interest in the Ground Lease), and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Article VII of the Lease Agreement, shall be deposited into the Base Rental Payment Fund and as soon as practicable thereafter applied:

- (a) to the payment of all amounts due the Trustee under Section 8.06 hereof;
- (b) to the payment of all amounts then due for interest evidenced by the Certificates, in respect of which, or for the benefit of which, money has been collected (other than Certificates which have become payable prior to such Event of Default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of interest evidenced by such Certificates due and payable; and
- (c) to the payment of all amounts then due for principal evidenced by the Certificates, in respect of which, or for the benefit of which, money has been collected (other than Certificates which have become payable prior to such Event of Default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of principal evidenced by such Certificates due and payable.

Section 7.08 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Trust Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements

and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners of the Certificates in respect of which such judgment has been recovered.

Section 7.09 **Limitation on Suits**. No Owner of any Certificate shall have any right to institute any proceeding, judicial or otherwise, with respect to this Trust Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (a) such Owner shall have previously given written notice to the Trustee of a continuing Event of Default hereunder, (b) the Owners of not less than 25% of the aggregate amount of principal evidenced by Certificates then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder, (c) such Owner or Owners shall have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceedings, and (e) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owners of a majority of the aggregate amount of principal evidenced by Certificates then Outstanding; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Trust Agreement to affect, disturb or prejudice the rights of any other Owner of Certificates, or to obtain or seek to obtain priority or preference over any other Owner or to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal and ratable benefit of all the Owners of Certificates.

Section 7.10 **Bankruptcy Matters**. (a) Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

(b) When the Trustee incurs expenses or renders services after the occurrence or during the continuance of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

ARTICLE VIII

THE TRUSTEE

Section 8.01 **Duties of the Trustee**. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 8.02 Removal; Resignation; Successor Trustees; Qualifications; Merger and Consolidation.

(a) The County may by an instrument in writing, remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if at any time (i) requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority of the aggregate amount of principal evidenced by the Certificates at the time Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with subsection (d) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(b) The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the County and the Corporation, and to the Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the County shall promptly appoint a successor Trustee by an instrument in writing.

(c) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be qualified as provided in subsection (d) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the County, the Corporation and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the written request of the County, the Corporation or the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall, within 15 days after such acceptance, mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books.

(d) The Trustee shall be a bank, national banking association or trust company incorporated or organized under the laws of the United States of America or any state thereof, having (or if such bank, national banking association or trust company is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and

surplus of at least \$75,000,000, and subject to supervision or examination by federal or state agency. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (d), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(e) Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (d) of this Section shall be the successor to such Trustee, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto anything herein to the contrary notwithstanding.

Section 8.03 Liabilities of the Trustee. (a) The recitals of facts herein shall be taken as statements of the County, and the Trustee shall not assume responsibility for the correctness of the same. The Trustee shall, however, be responsible for its representations contained in the Certificates. The Trustee makes no representations as to the validity or sufficiency of this Trust Agreement, the Ground Lease, the Lease Agreement, or of the assignment made to it by the Assignment Agreement, or in respect of the security afforded by this Trust Agreement, and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to (i) the delivery of the Certificates for value, (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or (iii) the application of any moneys paid to the County or others in accordance with this Trust Agreement, except as to the application of any moneys paid to it in its capacity as Trustee. The permissive rights of the Trustee to do things enumerated in this Trust Agreement, the Ground Lease or the Lease Agreement shall not be construed as duties, and the Trustee shall not be liable in connection with the performance of its duties hereunder or thereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Certificates with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement, the Ground Lease or the Lease Agreement. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority of the aggregate amount of principal evidenced by the Certificates at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement, the Ground Lease or the Lease Agreement.

(d) No provision of this Trust Agreement, the Ground Lease or the Lease Agreement or any other document related hereto shall require the Trustee to risk or advance its own funds.

(e) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(f) The Trustee may execute any of its powers or duties hereunder and under the Ground Lease and the Lease Agreement through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

(g) Before taking action under Article VII hereof or this Article or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur, including any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances.

(h) The Trustee shall not be deemed to have knowledge of an Event of Default hereunder or an event of default under the Lease Agreement unless it has actual knowledge thereof.

(i) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates.

(j) The Trustee's rights to immunities, indemnifications and protection from liability hereunder and under the Ground Lease and the Lease Agreement and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Certificates. All indemnifications and releases from liability granted herein or in the Lease Agreement to the Trustee shall extend to its directors, officers, employees and agents.

(k) Notwithstanding the effective date of this Trust Agreement or anything to the contrary in this Trust Agreement, the Trustee shall have no liability or responsibility for any act or event relating to this Trust Agreement which occurs prior to the date the Trustee formally commences acting as Trustee hereunder.

Section 8.04 Right to Rely on Documents. (a) Upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document furnished to it pursuant to any provision of this Trust Agreement, the Ground Lease or the Lease Agreement, the Trustee shall examine such instrument to determine whether it conforms to the requirements, if any, of this Trust Agreement, the Ground Lease or the Lease Agreement, as applicable, and, if the Trustee so determines, the Trustee may conclusively rely, and shall be fully protected in acting upon, any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever in the administration of the duties imposed upon it by this Trust Agreement, the Trustee shall deem it necessary or desirable that a legal matter be established prior to taking or suffering any action hereunder, under the Ground Lease or under the Lease Agreement (including with respect to compliance herewith or therewith of amendments hereto or thereto), the Trustee may consult with counsel, who may be counsel to the County or the Corporation, with regard to such legal matter, and the opinion of such counsel shall be full and complete authorization and protection in respect of any such action taken or suffered by it hereunder in good faith and in accordance therewith.

(c) Whenever in the administration of the duties imposed upon it by this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, under the Ground Lease or under the Lease Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the County, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement, the Ground Lease or the Lease Agreement in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05 Accounting Records; Documents. (a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Certificates, the Base Rental Payments received by it and all funds and accounts established by it pursuant to this Trust Agreement. Such books of record and account shall be available for inspection by the County and the Corporation during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the County a monthly accounting of the funds and accounts it holds under this Trust Agreement; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (i) has a balance of zero, and (ii) has not had any activity since the last reporting date.

(b) All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be available for inspection by the County and the Corporation during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee.

Section 8.06 Compensation and Indemnification. The County shall, pursuant to a pre-approved fee letter, pay to the Trustee from time to time all reasonable compensation for all services rendered under this Trust Agreement, and all reasonable expenses, charges and legal fees and other disbursements (including those of its attorneys, agents and employees), incurred in and about the performance of its powers and duties under this Trust Agreement. The County shall, to the extent permitted by law, indemnify and save the Trustee harmless against any liabilities, losses, costs, expenses (including legal fees and expenses), claims, suits, judgments or damages which it may incur in the exercise and performance of its powers and duties hereunder, under the Ground Lease or under the Lease Agreement, including the enforcement of any remedies and the defense of any suit, and which are not due to the Trustee's negligence or its willful misconduct.

ARTICLE IX

SUPPLEMENTAL TRUST AGREEMENTS

Section 9.01 Supplemental Trust Agreements. (a) This Trust Agreement and the rights and obligations of the Corporation, the County, the Trustee and the Owners hereunder may be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Corporation, the County and the Trustee may enter into when there are filed with the Trustee the written consents of the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 11.06 hereof. No such modification or amendment shall (i) extend the stated Principal Payment Date of any Certificate or reduce the rate of interest applicable to the interest evidenced thereby or extend the time of payment of such interest or reduce the principal evidenced thereby or change the prepayment terms and provisions or the provisions regarding delivery of notice of prepayment without the prior written consent of the Owner of each Certificate so affected, (ii) permit any pledge of, or the creation of any lien on, security interest in or charge or other encumbrance upon the assets pledged under this Trust Agreement prior to or on a parity with the pledge contained in, and the lien and security interest created by, this Trust Agreement or deprive the Owners of the pledge contained in, and the lien and security interest created by, this Trust Agreement, except as expressly provided in this Trust Agreement, without the consent of the Owners of all of the Certificates then Outstanding, (iii) modify any of the rights or obligations of the Trustee without the prior written consent of the Trustee, or (iv) amend this Section without the prior written consent of the Owners of all Certificates then Outstanding.

(b) This Trust Agreement and the rights and obligations of the Corporation, the County, the Trustee and the Owners hereunder may also be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Corporation, the County and the Trustee may enter into, but without the consent of any Owners, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Corporation or the County contained in this Trust Agreement, other covenants and agreements thereafter to be observed, to provide additional security for the Certificates (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Corporation or the County;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Trust Agreement that the Corporation or the County may deem desirable or necessary and not inconsistent herewith, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners hereunder;

(iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest evidenced by the Certificates;

(iv) to permit the qualification of this Trust Agreement under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;

(v) in any other respect whatsoever as the Corporation or the County may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners; or

(vi) to authorize the execution and delivery of Additional Certificates pursuant to Section 2.11 and 2.12.

(c) Promptly after the execution by the Corporation, the County and the Trustee of any Supplemental Trust Agreement, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the County), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Trust Agreement, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

Section 9.02 Effect of Supplemental Trust Agreement. Upon the execution of any Supplemental Trust Agreement pursuant to this Article, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Corporation, the County, the Trustee and the Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Trust Agreement shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

Section 9.03 Endorsement of Certificates; Preparation of New Certificates. Certificates delivered after the effective date of any Supplemental Trust Agreement pursuant to this Article may and, if the Corporation or the County so determines, shall, bear a notation by endorsement or otherwise in form approved by the Corporation, the County and the Trustee as to any modification or amendment provided for in such Supplemental Trust Agreement, and, in that case, upon demand of the Owner of any Certificate Outstanding at the time of such effective date and presentation of such Certificate for such purpose at the Principal Office of the Trustee a suitable notation shall be made on such Certificates. If the Supplemental Trust Agreement shall so provide, new Certificates so modified as to conform, in the opinion of the Corporation, the County and the Trustee, to any modification or amendment contained in such Supplemental

Trust Agreement, shall be prepared, or caused to be prepared, by the Corporation and the County and executed by the Trustee and, in that case, upon demand of the Owner of any Certificate Outstanding at the time of such effective date, and presentation of such Certificate for such purpose at the Principal Office of the Trustee, such a new Certificate evidencing the same principal, interest at the same interest rate and with the same stated Principal Payment Date shall be exchanged for such Owner's Certificate so surrendered.

Section 9.04 Amendment of Particular Certificates. The provisions of this Article shall not prevent any Owner from accepting any amendment or modification as to any particular Certificate owned by it, provided that due notation thereof is made on such Certificate.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Trust Agreement. (a) If there shall be paid (i) to the Owners of all Outstanding Certificates the principal, interest and premium, if any, evidenced thereby at the times and in the manner stipulated herein and therein, and (ii) all other amounts due hereunder and under the Lease Agreement, then the Owners shall cease to be entitled to the pledge of the assets provided for herein, and, except as otherwise provided in Section 8.03(j) hereof, all agreements, covenants and other obligations of the Corporation and the County hereunder shall thereupon cease, terminate and become void and this Trust Agreement shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Corporation and the County all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the County all money or securities held by it pursuant hereto which are not required for the payment of the principal, interest and premium, if any, evidenced by the Certificates.

(b) Subject to the provisions of subsection (a) of this Section, when any Certificate shall have been paid and if, at the time of such payment, each of the Corporation and the County shall have kept, performed and observed all of the covenants and promises in this Trust Agreement and the Lease Agreement required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Trust Agreement shall be considered to have been discharged in respect of such Certificate and such Certificate shall cease to be entitled to the pledge of the assets provided herein for herein, and all agreements, covenants and other obligations of the Corporation and the County hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Certificate.

(c) Notwithstanding the discharge and satisfaction of this Trust Agreement or the discharge and satisfaction of this Trust Agreement in respect of any Certificate, those provisions of this Trust Agreement relating to the payment of the principal, interest and premium, if any, evidenced by Certificates, exchange and transfer of Certificates, replacement of mutilated, destroyed, lost or stolen Certificates, the safekeeping and cancellation of Certificates, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of such Certificate, and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal, interest and premium, if any, evidenced by such Certificate, and to pay to the

Owner of such Certificate the funds so held by the Trustee as and when such payment becomes due.

Section 10.02 Certificates Deemed To Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or prepayment of the principal evidenced by any Certificate and the payment of the interest evidenced thereby to the stated Principal Payment Date or prepayment date thereof, such Certificate shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01 hereof. Any Outstanding Certificate shall prior to its stated Principal Payment Date or the prepayment date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 hereof if (i) in case any of such Certificates is to be prepaid on any date prior to its stated Principal Payment Date, the County shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.03 hereof, notice of prepayment of such Certificate on said prepayment date, said notice to be given in accordance with Section 4.03 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the interest evidenced by such Certificate to become due on and prior to its stated Principal Payment Date or the prepayment date thereof, as the case may be, and the principal and premium, if any, evidenced by such Certificate, and (iii) in the event such Certificate is not by its terms subject to prepayment within the next succeeding 60 days, the County shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Certificate that the deposit required by clause (ii) above has been made with the Trustee and that such Certificate is deemed to have been paid in accordance with this Section and stating stated Principal Payment Date or prepayment date upon which money is to be available for the payment of the principal and premium, if any, evidenced by such Certificate.

(b) No Certificate shall be deemed to have been paid pursuant to clause (ii) of subsection (a) of this Section unless the County shall have caused to be delivered to the County and the Trustee (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the County and the Trustee, in form and in substance acceptable to the County and the Trustee, (ii) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (iii) a copy of an Opinion of Counsel, dated the date of such deemed payment and addressed to the County and the Trustee, in form and in substance acceptable to the County and the Trustee, to the effect that such Certificate has been paid within the meaning and with the effect expressed in this Trust Agreement, this Trust Agreement has been discharged in respect of such Certificate and all agreements, covenants and other obligations of the County and the Corporation hereunder as to such Certificate have ceased, terminated, become void and been completely discharged and satisfied.

Section 10.03 Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal, interest or premium, if any, evidenced by any Certificates which remain unclaimed for two years after the date when such principal, interest or premium has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, interest or premium became payable, shall be repaid by the Trustee, without liability for interest, to the County as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Certificate shall look only to the County for the payment of such principal, interest or premium.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of Trust Agreement. Nothing contained herein, expressed or implied, is intended to give to any Person other than the Trustee, the Corporation, the County and the Owners any right, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the County or the Corporation shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 11.02 Successor Deemed Included in all References to Predecessor. Whenever the Trustee, the Corporation or the County, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Trustee, the Corporation or the County, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Trustee, the Corporation, if any, or the County, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Corporation, the County or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Corporation, the County and the Trustee hereby declare that they would have executed this Trust Agreement, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subsections, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.04 Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given

to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County: Mono County
PO Box 556
Courthouse Annex II
Bridgeport, CA 93517
Attention: [_____]

If to the Corporation: County of Mono Economic Development Corporation
c/o Mono County
PO Box 556
Courthouse Annex II
Bridgeport, CA 93517
Attention: [_____]

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

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 11.05 Execution of Documents by Owners. (a) Any request, consent or other instrument required or permitted by this Trust Agreement to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by each such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the County, the Corporation and the Trustee if made in the manner provided in this Section. The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

(b) The ownership of any Certificates and the principal evidenced thereby, stated Principal Payment Date, number and date of owning the same may be proved by the Registration Books.

(c) Any request, consent, or other instrument or writing of the Owner of any Certificate shall bind every future Owner of the same Certificate and the Owner of every Certificate issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the County, the Corporation and the Trustee in accordance therewith or reliance thereon.

Section 11.06 Disqualified Certificates. In determining whether the Owners of the requisite aggregate amount of principal evidenced by the Certificates have concurred in any demand, request, direction, consent or waiver under this Trust Agreement, Certificates which are actually known by the Trustee to be owned or held by or for the account of the County, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the County shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, unless all Certificates are owned or held by or for the account of the County, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the County, in which case such Certificates shall be considered Outstanding for the purpose of such determination. Certificates so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Certificates and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the County or any other obligor on the Certificates. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the County shall specify in a Written Certificate of the County delivered to the Trustee which Certificates, if any, are, as of the date of such Written Certificate, owned or held by or for the account of the County, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the County.

Section 11.07 Destruction of Certificates. Whenever in this Trust Agreement provision is made for the cancellation by the Trustee and the delivery to the Corporation or the County of any Certificates, the Trustee shall, in lieu of such cancellation and delivery, destroy such Certificates.

Section 11.08 Money Held for Particular Certificates. The money held by the Trustee for the payment of the principal, interest or premium due on any date with respect to particular Certificates (or portions of Certificates in the case of Certificates prepaid in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto, subject, however, to the provisions of Section 10.03 hereof but without any liability for interest thereon.

Section 11.09 Funds and Accounts. Any fund or account required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be

treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the Owners. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder.

Section 11.10 Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement or the Lease Agreement shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Trust Agreement or the Lease Agreement and, unless otherwise specifically provided in this Trust Agreement or the Lease Agreement, no interest shall accrue for the period from and after such nominal date.

Section 11.11 Waiver of Personal Liability. No member, officer or employee of the County or the Corporation shall be individually or personally liable for the payment of the principal, interest or premium evidenced by the Certificates or be subject to any personal liability or accountability by reason of the execution and delivery thereof; but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by any applicable provisions of law, by this Trust Agreement or by the Lease Agreement.

Section 11.12 Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 11.13 Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.14 Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

**COUNTY OF MONO ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Title:
Name:

MONO COUNTY

By: _____
Title:
Name:

EXHIBIT A

FORM OF CERTIFICATE

No. R-

\$

**MONO COUNTY
CERTIFICATE OF PARTICIPATION
2018 SERIES A
(MONO COUNTY CIVIC CENTER)**

PAYMENT DATE	INTEREST RATE	DATED DATE	CUSIP NO.
[_____] 1, ____		December __, 2018	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THIS IS TO CERTIFY that the Registered Owner of this Certificate of Participation (the "Certificate"), as identified above, is the owner of a direct, fractional undivided interest in certain base rental payments ("Base Rental Payments") payable under and pursuant to the Lease Agreement, dated as of December 1, 2018 (the "Lease Agreement"), by and between the Mono County (the "County"), a county and political subdivision of the State of California organized and existing under the laws of the State of California, as lessee, and the County of Mono Economic Development Corporation (the "Corporation"), a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessor. The rights of the Corporation under the Lease Agreement, including the right to receive the Base Rental Payments, have been assigned without recourse by the Corporation to U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States, as trustee (the "Trustee"), under the Master Trust Agreement, dated as of December 1, 2018 (the "Trust Agreement"), by and among the Trustee, the Corporation and the County.

This Certificate is one of the duly authorized Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) (the "Certificates") evidencing principal in the aggregate amount of \$[_____] , executed pursuant to the terms of the Trust Agreement. The Certificates evidence direct, fractional undivided interests in Base Rental Payments payable under the Lease Agreement. The Certificates are being executed and delivered to prepay certain lease payments.

Reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights, duties and immunities of the Trustee, for the

rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, to all of which provisions the Registered Owner by acceptance hereof, assents and agrees. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Trust Agreement and any right of prepayment as provided herein or therein, on the Payment Date set forth above, upon surrender of this Certificate at the Principal Office of the Trustee, the Principal Amount specified above, evidencing the Registered Owner's interest in the Base Rental Payments designated as principal components coming due on the Payment Date, and to receive on [___] 1 and [___] 1 of each year commencing [___] 1, 20__ (the "Interest Payment Dates"), interest accrued thereon at the Interest Rate specified above, computed on the basis of a 360-day year consisting of twelve 30-day months, until said Principal Amount is paid in full, evidencing the Registered Owner's interest in the Base Rental Payments designated as interest components coming due on each of said dates.

The interest evidenced by the Certificates shall be payable on each Interest Payment Date to and including their respective Principal Payment Dates or prepayment prior thereto, and shall represent the sum of the portions of the Base Rental Payments designated as interest components coming due on the Interest Payment Dates in each year. Interest evidenced by the Certificates shall be payable from the Interest Payment Date next preceding the date of execution and delivery thereof unless (i) a Certificate is executed and delivered on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest evidenced thereby shall be payable from such Interest Payment Date, (ii) a Certificate is executed and delivered on or before the first Record Date, in which event interest evidenced thereby shall be payable from the Delivery Date, or (iii) interest evidenced by any Certificate is in default as of the date of execution and delivery thereof, in which event interest evidenced thereby shall be payable from the date to which interest has previously been paid or duly provided for. Interest evidenced by the Certificates shall be paid in lawful money of the United States of America on each Interest Payment Date. Such interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Certificates at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest evidenced by any Certificate that is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Certificate is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

The principal evidenced by the Certificates shall be payable in lawful money of the United States of America on their respective Principal Payment Dates in each year, upon presentation and surrender thereof at the Principal Office of the Trustee, and shall represent the sum of the portions of the Base Rental Payments designated as principal components coming due on the Principal Payment Dates in each year.

The Certificates are subject to prepayment on the dates, at the redemption prices and pursuant to the terms set forth in the Trust Agreement. Notice of prepayment of any Certificate or any portion thereof shall be given as provided in the Trust Agreement.

The Certificates are authorized to be executed and delivered in the form of fully registered certificates in Authorized Denominations (\$5,000 or any integral multiple thereof).

This Certificate may be transferred or exchanged by the Registered Owner hereof, in Person or by his or her attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement.

The Trust Agreement and the rights and obligations of the Corporation, the County, the Trustee and the Owners may be modified or amended in the manner, to the extent, and upon the terms provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the County to make provision for the payment of the principal of and the interest and premium, if any, evidenced by the Certificates so that such Certificates shall no longer be deemed to be Outstanding under the terms of the Trust Agreement.

In no event shall this Certificate, or the payments an interest in which is evidenced hereby, be deemed to be liabilities or obligations of the Trustee.

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

The County has certified that all acts, conditions and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an authorized signatory of the Trustee as of the date set forth below.

Date: December __, 2018

**U.S. BANK NATIONAL
ASSOCIATION, AS TRUSTEE**

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated:

Signature Guaranteed:

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

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

[PERMITTED INVESTMENTS]

“**Permitted Investments**” means the following:

(1) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America);

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System;

(4) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances and bank deposit products (so long as such products have the same payment priority as short term certificates of deposit) with domestic commercial banks (which may include the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank), or which are fully insured by the Federal Deposit Insurance Corporation;

(5) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including a fund for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services;

(7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior

to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(a) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or

(b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) or (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal obligations rated “Aa/AA1” or general obligations of states with a rating of “A2/A” or higher by both Moody’s and S&P;

(9) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “Aa3” by Moody’s and “AA-” by S&P; provided, that, by the terms of the investment agreement:

(a) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice;

(b) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(c) the Trustee or the County receive the opinion of domestic counsel that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(d) the investment agreement shall provide that if during its term (i) the provider’s rating by either Moody’s or S&P falls below “Aa3” or “AA-,” respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the Trustee or a holder of the collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is

maintained at levels and upon such conditions as would be acceptable to Moody's and S&P to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest, on the investment, and (ii) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A3" or "A-," respectively, the provider must, at the direction of the County or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee;

(e) the investment agreement shall state, and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of collateral is in possession); and

(f) the investment agreement must provide that if during its term (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the County or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee.

EXHIBIT C

**FORM OF WRITTEN REQUEST FOR PAYMENT FROM [PROJECT FUND][COSTS
OF ISSUANCE FUND]**

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

RE: Disbursement from the Master Trust Agreement, dated as of December 1, 2018 (the "Trust Agreement"), by and among Mono County, California, County of Mono Economic Development Corporation and U.S. Bank National Association

REQUISITION NO. _____

You are hereby instructed to pay to the parties listed on Exhibit A hereto the sum listed opposite such parties names as a payment for the items listed on the Schedule attached hereto and the expenses incidental thereto as evidenced by the invoices attached hereto (including reimbursement to the County for certain of such costs or expenses) as provided in the Trust Agreement identified above. This cost has been properly incurred, is a proper charge under the Trust Agreement and has not been the basis of any previous disbursements.

I hereby certify that:

- (i) an obligation in the stated amount has been properly incurred under and pursuant to the Agreement (as such term is defined in the Trust Agreement);
- (ii) no event of default has occurred and is continuing.

Very truly yours,

Authorized County Representative

Exhibit A

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE – FULL BOOK ENTRY

RATINGS: _____
(See “RATINGS” herein)

In the opinion of Nixon Peabody LLP, Special Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the County described herein, the interest component of Base Rental Payments paid by the County under the Lease Agreement and received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Special Counsel is also of the opinion that such interest component is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Special Counsel is further of the opinion that such interest component is exempt from personal income taxes of the State of California (the “State”) under present State law. See “TAX MATTERS” herein regarding certain other tax considerations.

\$ _____
*
MONO COUNTY
CERTIFICATES OF PARTICIPATION
SERIES 2018 A
(MONO COUNTY CIVIC CENTER)

Dated: Date of Delivery**Due: As shown on inside cover page**

The Certificates evidence direct, fractional undivided interests of the Owners thereof in the Base Rental Payments (which include principal components and interest components) to be made by Mono County, California (the “County”) for the use of certain real property (the “Property”) pursuant to a Lease Agreement, dated as of December 1, 2018 (the “Lease Agreement”), by and between the County, as lessee, and the County of Mono Economic Development Corporation (the “Corporation”), as lessor. The proceeds of the Certificates will be used to (i) provide funds to finance certain costs of the construction of the Mono County Civic Center Project, (ii) purchase a reserve policy, and (iii) pay the costs incurred in connection with the execution and delivery of the Certificates. See “THE PROJECT.” The County has covenanted under the Lease Agreement to make all Base Rental Payments and Additional Rental Payments (collectively, the “Rental Payments”) provided for therein, to include all such Rental Payments as a separate line item in its annual budgets, and to make the necessary annual appropriations for all such Rental Payments. See “SECURITY AND SOURCES OF PAYMENT.”

Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

The County’s obligation to make Rental Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Project, or any defect in title to the Project, there is substantial interference with the County’s right to use and occupy any portion of the Project. See “RISK FACTORS – *Abatement.*”

Interest represented by the Certificates is payable semiannually on _____ 1 and _____ 1 of each year, commencing on _____ 1, 2019. See “THE CERTIFICATES” herein. The Certificates will be initially delivered only in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Certificates. The Certificates will be delivered in denominations of \$5,000 and any integral multiple thereof. Principal and interest payments evidenced by the Certificates are payable directly to DTC by U.S. Bank National Association, as trustee (the “Trustee”). Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Certificates. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

The Certificates are subject to prepayment prior to maturity as described herein. See “THE CERTIFICATES – *Prepayment Provisions.*”

THE OBLIGATION OF THE COUNTY TO MAKE THE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

This cover page contains information for reference only. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision. See “RISK FACTORS” for a discussion of factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Certificates.

The Certificates will be offered when, as and if executed and delivered and received by the Underwriter, subject to the approval by Nixon Peabody LLP, Special Counsel to the County. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. Certain legal matters will be passed upon for the County by Nixon Peabody LLP, as Disclosure Counsel to the County, and for the County and the Corporation by County Counsel. It is anticipated that the Certificates in definitive form will be available for delivery to DTC in New York, New York on or about December __, 2018.

Brandis Tallman Logo

Dated: __, 2018

* Preliminary, subject to change.

\$ _____^{*}
MONO COUNTY
CERTIFICATES OF PARTICIPATION
(MONO COUNTY CIVIC CENTER)
MATURITY SCHEDULE

<u>Maturity Date</u> <u>([August] 1)[*]</u>	<u>Principal</u> <u>Amount[*]</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.[†]</u>
		%	%	

^{*} Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the County, the Underwriter or their respective agents or counsel assumes responsibility for the accuracy of such numbers.

MONO COUNTY, CALIFORNIA

BOARD OF SUPERVISORS

Bob Gardner, *Chair, District Three*
John Peters, *Vice-Chair, District Four*
Stacy Corless, *District Five*
Jennifer Halferty, *District One*
Fred Stump, *District Two*

COUNTY OFFICIALS

Leslie Chapman, *County Administrative Officer*
Janet Dutcher, *Finance Director – Auditor-Controller Treasurer-Tax Collector*
Stacey Simon, *County Counsel*
Shannon Kendall, *Clerk-Recorder-Registrar – Clerk Recorder*

COUNTY OF MONO ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS

Bob Gardner, *President*
John Peters, *Vice-President*
Shannon Kendall, *Secretary*
Janet Dutcher, *Chief Financial Officer*

SPECIAL SERVICES

Special Counsel and Disclosure Counsel
Nixon Peabody LLP
Los Angeles, California

Trustee
U.S. Bank National Association
Los Angeles, California

Municipal Advisor
KNN Public Finance, LLC
Oakland, California

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

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein has been obtained from the County and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the County’s forecasts in any way. Neither the County nor the Corporation is obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur or do not occur.

The County maintains a website, however, the information presented therein is not a part of this Official Statement and should not be relied on in making an investment decision with respect to the Certificates.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
General	1
The County	2
Security and Sources of Payment	2
Description of the Certificates	3
Offering and Delivery of the Certificates	3
Certificate Owners’ Risks	3
Abatement	3
Tax Matters	4
Continuing Disclosure	4
Other Information	4
THE CERTIFICATES	4
General	4
Exchange and Transfer	5
Prepayment Provisions	6
SECURITY AND SOURCES OF PAYMENT	7
Nature of the Certificates	7
Base Rental Payments	8
Sources of Funds for Rental Payments; Covenant to Appropriate Funds	8
Abatement	8
Action on Default	9
Additional Rental Payments	9
Insurance	10
Reserve Fund	10
Additional Certificates	11
ESTIMATED SOURCES AND USES OF FUNDS	12
THE PROJECT	12
Substitution or Release	13
BASE RENTAL PAYMENTS	15
THE COUNTY	16
Introduction	16
Government and Administration	17
Financial and Accounting Information	17
COUNTY FINANCIAL INFORMATION	19
Financial Statements	19
Budgetary Process	22
General Reserve	23
Economic Stabilization	23
General Fund Budgets	24
State of Funding of Counties	27
Property Taxes	28

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Assessed Valuation	29
Tax Levies, Collections and Delinquencies	29
Transient Occupancy Tax	31
Sales Taxes	32
Outstanding Long-Term Debt	33
Investments of County Funds; County Pool	34
Pension Obligations	35
Other Post-Employment Benefits (“OPEB”)	42
Statement of Direct and Overlapping Debt	45
Labor Relations	46
RISK FACTORS	47
Rental Payments Not County Debt	47
No Liability of Corporation to the Owners	48
Abatement	48
Natural Disasters and Seismic Considerations	48
Absence of Earthquake and Flood Insurance	48
Limited Recourse on Default	48
No Acceleration Upon Default	49
Limitations on Remedies	49
Bankruptcy	49
Substitution or Release of Property	50
No Limitation on Incurring Additional Obligations	51
Cash Management	51
Limitation on Revenues	51
Changes in Law	52
Climate Change	52
Cybersecurity	52
Drought	52
Minimal Available Land Owned in the County	53
Tourism	53
CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND	
APPROPRIATIONS	54
Article XIII A of the California Constitution	54
Legislation Implementing Article XIII A	54
Article XIII B of the California Constitution	54
Proposition 1A	56
Proposition 62	56
Right to Vote on Taxes Initiative – Proposition 218	57
Proposition 26	58
Future Initiatives	59
THE CORPORATION	59
TAX MATTERS	59
Federal Income Taxes	59
Original Issue Discount	60

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Original Issue Premium	60
Ancillary Federal Tax Matters	61
California Personal Income Taxes	61
Changes in Law and Post Issuance Events	61
CERTAIN LEGAL MATTERS.....	62
MUNICIPAL ADVISOR.....	62
RATINGS	62
CONTINUING DISCLOSURE.....	62
LITIGATION.....	63
Absence of Material Litigation Relating to the Certificates	63
Other Claims and Litigation.....	63
FINANCIAL INTEREST	63
UNDERWRITING	63
MISCELLANEOUS	64
APPENDIX A – GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COUNTY	A-1
APPENDIX B – COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017	B-1
APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.....	C-1
APPENDIX D – PROPOSED FORM OF OPINION OF SPECIAL COUNSEL	D-1
APPENDIX E – BOOK-ENTRY ONLY SYSTEM	E-1
APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT	F-1

OFFICIAL STATEMENT

\$ _____ *

**MONO COUNTY
CERTIFICATES OF PARTICIPATION
SERIES 2018 A
(MONO COUNTY CIVIC CENTER)**

INTRODUCTION

This Official Statement (which includes the cover page, inside cover page and appendices hereto) (the “Official Statement”), provides certain information concerning the sale and delivery of the Mono County Certificates of Participation Series 2018 A (Mono County Civic Center) evidencing direct, fractional undivided interests of the owners thereof in base rental payments to be made by the Mono County, California. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and in the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Certificates (as defined herein) to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement (unless otherwise defined herein) which are defined in the Trust Agreement or the Lease Agreement shall have the same meanings assigned to such terms therein. See APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – DEFINITIONS.”

General

This Official Statement is provided to furnish information in connection with the execution, delivery and sale of \$ _____ aggregate principal amount of Certificates of Participation Series 2018 A (Mono County Civic Center) (the “Certificates”). The Certificates are being executed and delivered pursuant to a Master Trust Agreement, dated as of December 1, 2018 (the “Trust Agreement”), by and among the Mono County (the “County”), the County of Mono Economic Development Corporation (the “Corporation”) and U.S. Bank National Association, as trustee (the “Trustee”).

Proceeds of the Certificates will be used to (i) provide funds to finance certain costs of the construction of the Mono County Civic Center Project (the “Project”), (ii) purchase a reserve policy, and (iii) pay the costs incurred in connection with the execution and delivery of the Certificates. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.” The County will lease certain County owned facilities (the “Property”) to the Corporation pursuant to a Ground Lease, dated as of December 1, 2018 (the “Ground Lease”) by and between the County and the Corporation. The Corporation will sublease the Project back to the County pursuant to a Lease Agreement, dated as of December 1, 2018 (the “Lease Agreement”) by and between the Corporation and the County. See “THE PROJECT” herein. The Certificates are payable solely from and secured by certain lease payments (“Base Rental Payments”) to be made by the County to the Corporation pursuant to the Lease Agreement. The County has covenanted under the Lease Agreement to make all Base Rental Payments and Additional Rental Payments (collectively, the “Rental Payments”) provided for therein, to include all such Rental Payments as a separate line item in its annual budgets, and to make the necessary annual appropriations for all such Rental Payments. See “SECURITY AND SOURCES OF PAYMENT” and “THE PROJECT.”

* Preliminary, subject to change.

Interest with respect to the Certificates is payable on [_____] 1 and [_____] 1] of each year, commencing on _____, 2019. The Certificates will mature in the amounts and on the dates and bear interest at the rates shown on the inside cover page of this Official Statement. See “THE CERTIFICATES.”

The County

Incorporated in 1861, the County is located on the eastern side of the Sierra Nevada Mountains. Inyo County borders to the south, Alpine, Tuolumne, Mariposa, Madera and Fresno counties to the west, and the state of Nevada to the north and east. The County comprises approximately 3,049 square miles of land space, with approximately 2,848 square miles, or 93.4 percent, owned by public entities, which include the federal government (Inyo National Forest, Toiyabe National Forest, Bureau of Land Management), the State of California, local government, and the City of Los Angeles (Department of Water and Power). The population of the County was 13,822 as of January 1, 2018. The County’s General Fund budget for Fiscal Year 2017-18 included revenues of approximately \$36.3 million and a beginning available unassigned fund balance of approximately \$4.5 million. The General Fund budget for Fiscal Year 2018-19 includes revenues of approximately \$35.7 million and a beginning available unassigned fund balance of approximately \$8.8 million. See “THE COUNTY,” “COUNTY FINANCIAL INFORMATION” and APPENDIX A – “GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COUNTY.”

Security and Sources of Payment

The Certificates will be executed and delivered pursuant to the Trust Agreement and will evidence direct, fractional undivided interests in the Base Rental Payments to be made by the County under the Lease Agreement for the use of the Project. See “THE PROJECT.” The Trustee and the Corporation will enter into an Assignment Agreement, dated as of December 1, 2018 (the “Assignment Agreement”) by and between the Trustee and the Corporation, pursuant to which the Corporation will assign to the Trustee for the benefit of the Certificate Owners all of the Corporation’s right, title and interest in and to the Ground Lease and the Lease Agreement, including its right to receive the Base Rental Payments due under the Lease Agreement.

The County will covenant under the Lease Agreement to take such action as may be necessary to include all Rental Payments due under the Lease Agreement as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rental Payments. See “SECURITY AND SOURCES OF PAYMENT – *Sources of Funds for Rental Payments; Covenant to Appropriate Funds.*” Rental Payments are subject to complete or partial abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Project, or any defect in title to the Project, there is substantial interference with the County’s right to use and occupy any portion of the Project. See “RISK FACTORS.”

THE OBLIGATION OF THE COUNTY TO MAKE THE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

For more complete and detailed information, see “SECURITY AND SOURCES OF PAYMENT.” For a discussion of certain risks associated with the County’s ability to make Base Rental Payments for the Project, see “RISK FACTORS.”

Description of the Certificates

The Certificates will be executed and delivered in book-entry form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Certificates. Individual purchases of the Certificates will be made in book-entry form only. Purchasers of the Certificates will not receive certificates representing their ownership interests in the Certificates purchased. The Certificates will be delivered in denominations of \$5,000 and any integral multiple thereof. Principal and interest payments evidenced by the Certificates are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the Certificates. See “THE CERTIFICATES – *General*” and APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

The Certificates are subject to prepayment as described herein. See “THE CERTIFICATES – *Prepayment Provisions*.”

For a more complete description of the Certificates and the basic documentation pursuant to which they are being sold and delivered, see “THE CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT” and APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.” The summaries and descriptions in this Official Statement of the Trust Agreement, the Lease Agreement, the Ground Lease, the Assignment Agreement, the Continuing Disclosure Agreement and other agreements relating to the Certificates are qualified in their entirety by the respective form thereof and the information with respect thereto included in such documents.

Offering and Delivery of the Certificates

The Certificates are offered when, as and if executed, delivered and received by the Underwriter, subject to approval by Special Counsel and the satisfaction of certain other conditions. It is anticipated that the Certificates will be available in book-entry form for delivery through DTC in New York, New York, on or about December __, 2018.

Certificate Owners’ Risks

Certain events could affect the ability of the County to make the Base Rental Payments when due. See “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Certificates.

Abatement

Under the Lease Agreement, the obligation of the County to make Rental Payments is subject to abatement in whole or in part during any period in which, by reason of material damage to, or destruction or condemnation of, the Project, or any defect in title to the Project, there is substantial interference with the County’s right to use and occupy any portion of the Project or any portion thereof. The amount of the abatement will be such that the resulting Rental Payments do not exceed the fair rental value of the portions of the Project as to which there is no such substantial interference. See “SECURITY AND SOURCES OF PAYMENT – *Abatement*” and “RISK FACTORS – *Abatement*.” Abatement of Rental Payments under the Lease Agreement, to the extent payment is not made from alternative sources as set

forth below, would result in all Certificate Owners receiving less than the full amount of principal and interest evidenced by the Certificates.

To the extent proceeds of insurance are available, Rental Payments (or a portion thereof) may be made during periods of abatement in amounts in excess of the annual fair rental value of that portion of the Project available for use and occupancy by the County. The Lease Agreement insurance requirement does not include any requirement that the County obtain earthquake and flood insurance. Consequently, insurance coverage does not eliminate flood or earthquake risks with respect to the Project.

Tax Matters

For a summary of the opinion of Nixon Peabody LLP, Special Counsel, see “TAX MATTERS” herein and APPENDIX D – “PROPOSED FORM OF OPINION OF SPECIAL COUNSEL.”

Continuing Disclosure

The County has agreed to provide through the Electronic Municipal Market Access (“EMMA”) website maintained by the Municipal Securities Rulemaking Board (“MSRB”) certain annual financial information and operating data and, in a timely manner, notice of certain enumerated events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934. See “CONTINUING DISCLOSURE” and APPENDIX F – “FORM OF CONTINUING DISCLOSURE AGREEMENT” herein for a description of the specific nature of the annual report and notices of enumerated events and a summary description of the terms of the disclosure agreement pursuant to which such reports are to be made.

Other Information

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement will, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future. The descriptions herein of the Trust Agreement, the Ground Lease, the Lease Agreement, the Assignment Agreement, and any other agreements relating to the Certificates are qualified in their entirety by reference to such documents, and the descriptions herein of the Certificates are qualified in their entirety by the form thereof and the information with respect thereto included in the aforementioned documents. See APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.” Copies of the documents are on file and available for inspection at the office of the Trustee at U.S. Bank National Association, 633 W. Fifth Street, 24th Floor, Los Angeles, California 90071.

THE CERTIFICATES

General

The Certificates evidence and represent direct, fractional undivided interests of the Owners thereof in the principal and interest components of Base Rental Payments to be made by the County pursuant to the Lease Agreement. The Certificates will be dated as of their initial date of delivery and

will be executed and delivered in denominations of \$5,000 or integral multiples thereof. The interest components evidenced by the Certificates will be due and payable semiannually on [August 1 and February 1] of each year, commencing on [February] 1, 2019.

Interest evidenced by the Certificates will be computed on the basis of a 360-day year consisting of twelve, 30-day months. The Base Rental Payments evidenced by the Certificates will be payable no later than the second Business Day next preceding each Interest Payment Date, the principal components of which will be payable in the amounts and at the times, and the interest components of which will be calculated at the rates per annum, all as set forth on the inside cover page of this Official Statement.

The Certificates will be subject to the DTC Book-Entry System of registration, transfer and payment, and each Certificate will initially be registered in the name of Cede & Co., as nominee. As part of such Book-Entry System, DTC has been appointed securities depository for the Certificates, and registered ownership may not thereafter be transferred except as provided in the Trust Agreement. The Certificates are being delivered in book-entry form only. Purchasers will not receive securities certificates representing their interests in the Certificates. Rather, in accordance with the Book-Entry System, purchasers of Certificates will have beneficial ownership interests in the purchased Certificates through DTC Participants. For more information concerning the Book-Entry System, see APPENDIX E – “BOOK-ENTRY ONLY SYSTEM” herein.

While the Certificates are subject to the Book-Entry System, payments of principal and interest evidenced by the Certificates will be made by the Trustee to DTC, which in turn is obligated to remit such principal and interest to its DTC Participants for subsequent disbursement to beneficial owners of the Certificates as described herein. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM” herein.

Exchange and Transfer

The following provisions regarding the exchange and transfer of the Certificates apply only during any period in which the Certificates are not subject to the Book-Entry System. While the Certificates are subject to the Book-Entry System, their exchange and transfer will be effected through DTC and the DTC Participants and will be subject to the procedures, rules and requirements established by DTC.

Each Certificate is transferable by the Owner thereof, in person or by such Owner’s attorney duly authorized in writing, at the Principal Office of the Trustee on the Registration Books, upon surrender of such Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. Whenever any Certificate shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates evidencing principal in the same aggregate amount and having the same stated Principal Payment Date. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Each Certificate may be exchanged at the Principal Office of the Trustee for Certificates evidencing principal in a like aggregate amount and having the same stated Principal Payment Date in such Authorized Denominations as the Owner thereof may request. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to transfer or exchange any Certificate during the period commencing on the date five days before the date of selection of Certificates for prepayment and ending on the date of mailing notice of such prepayment, nor shall the Trustee be required to transfer or exchange any Certificate or portion thereof selected for prepayment from and after the date of mailing the notice of prepayment thereof.

Prepayment Provisions*

Optional Prepayment. The Certificates maturing on or before [August] 1, 20__ are not subject to optional prepayment prior to their stated Principal Payment Dates. The Certificates maturing on and after [August] 1, 20__ are subject to optional prepayment prior to their stated Principal Payment Dates on any date on or after [August] 1, 20__, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement from any source of available funds, any such prepayment to be at a price equal to the principal evidenced by the Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Extraordinary Prepayment. The Certificates are subject to extraordinary prepayment on any date prior to their stated Principal Payment Dates, in whole or in part, in Authorized Denominations, from and to the extent of any insurance proceeds or condemnation award paid with respect to all or a portion of the Project remaining after payment therefrom of all reasonable expenses incurred in the collection thereof (the "Net Proceeds") received with respect to all or a portion of the Project and deposited by the Trustee in the Prepayment Fund in accordance with the Trust Agreement, at a prepayment price equal to the principal evidenced by the Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates are to be prepaid on any one date, the Trustee will select the Certificates to be prepaid (a) with respect to any extraordinary prepayment of Certificates, among Certificates with different stated Principal Payment Dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Certificates are abated pursuant to the Lease Agreement, and (b) with respect to any optional prepayment of Certificates, as directed in a Written Request of the County, and by lot among Certificates with the same stated Principal Payment Date in any manner that the Trustee deems fair and appropriate, which decision will be final and binding upon the County, the Corporation and the Owners.

Notice of Prepayment. The Trustee will mail (by first class mail) notice of any prepayment to the respective Owners of any Certificates designated for prepayment at their respective addresses appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for prepayment. Such notice will state the date of the notice, the prepayment date, the prepayment place and the prepayment price and will designate the CUSIP numbers, if any, the Certificate numbers and the stated Principal Payment Date or Principal Payment Dates of the Certificates to be prepaid (except in the event of prepayment of all of the Certificates in whole), and will require that such Certificates be then surrendered at the Principal Office of the Trustee for prepayment at the prepayment price, giving notice also that further interest evidenced by such Certificates will not accrue from and after the date fixed for prepayment. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the prepayment of the Certificates or the cessation of accrual of interest evidenced thereby from and after the date fixed for prepayment.

While the Certificates are subject to the Book-Entry System, the Trustee will be required to give notice of prepayment only to DTC as provided in the letter of representations, and the Trustee will not be required to give any such notice of prepayment to any other person or entity. DTC and the DTC Participants will have sole responsibility for providing any such notice of prepayment to the beneficial owners of the Certificates to be prepaid. Any failure at DTC to notify any DTC Participant, or any failure of a DTC Participant to notify the beneficial owner of any Certificates to be prepaid, of a notice of

* Preliminary, subject to change.

prepayment or its content or effect will not affect the validity of the notice of prepayment, or alter the effect of prepayment described below under “*Effect of Prepayment.*”

With respect to any notice of any optional prepayment of Certificates, unless at the time such notice is given the Certificates to be prepaid will be deemed to have been paid within the meaning of and effect of the Trust Agreement regarding defeasance of Certificates, such notice will state that such prepayment is conditional upon receipt by the Trustee, on or prior to the date fixed for such prepayment, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the prepayment price of, and accrued interest evidenced by, the Certificates to be prepaid, and that if such moneys will not have been so received said notice will be of no force and effect and such Certificates will not be required to be prepaid. In the event a notice of prepayment of Certificates contains such a condition and such moneys are not so received, the prepayment of Certificates as described in the conditional notice of prepayment will not be made and the Trustee will, within a reasonable time after the date on which such prepayment was to occur, give notice to the Persons and in the manner in which the notice of prepayment was given, that such moneys were not so received and that there will be no prepayment of Certificates pursuant to such notice of prepayment.

Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee will execute and deliver to the Owner thereof a new Certificate or Certificates evidencing the unprepaid principal evidenced by the Certificate surrendered.

Effect of Prepayment. If notice of prepayment has been duly given as aforesaid and moneys for the payment of the prepayment price of the Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice, the Certificates so called for prepayment will become payable at the prepayment price specified in such notice; and from and after the date so designated, interest evidenced by the Certificates so called for prepayment will cease to accrue, such Certificates will cease to be entitled to any benefit or security under the Trust Agreement and the Owners of such Certificates will have no rights in respect thereof except to receive payment of the prepayment price thereof, and such moneys will be pledged to such prepayment. The Trustee will, upon surrender for payment of any of the Certificates to be prepaid, pay such Certificates at the prepayment price thereof.

All Certificates prepaid as provided above will be canceled by the Trustee and will not be redelivered.

SECURITY AND SOURCES OF PAYMENT

Nature of the Certificates

Each Certificate evidences a direct, fractional undivided interest in the principal component of the Base Rental Payment due under the Lease Agreement on the payment date or prepayment date of such Certificate, and the interest component of all Base Rental Payments.

The Corporation, pursuant to the Assignment Agreement, will assign to the Trustee for the benefit of the Certificate Owners all of the Corporation’s right, title and interest in and to the Ground Lease and the Lease Agreement, including, without limitation, its right to receive Base Rental Payments to be paid by the County under and pursuant to the Lease Agreement. The County will pay Base Rental Payments directly to the Trustee, as assignee of the Corporation. See “*Base Rental Payments*” below.

Base Rental Payments

For the use and possession of the Project, the Lease Agreement requires the County to make Base Rental Payments. The County is required to pay to the Trustee, for deposit into the Base Rental Payment Fund, not later than the second Business Day next preceding each Interest Payment Date, an amount sufficient to pay the Base Rental Payment then due.

Pursuant to the Trust Agreement, the Trustee will (i) on each Interest Payment Date, deposit in the Interest Fund that amount of moneys representing the portion of the Base Rental Payments designated as the interest component coming due on such Interest Payment Date; and (ii) on each Principal Payment Date and each Mandatory Sinking Account Payment Date, deposit in the Principal Fund that amount of moneys representing the portion of the Base Rental Payments designated as the principal component coming due on such Principal Payment Date or Mandatory Sinking Account Payment Date. Moneys in the Principal Fund will be used by the Trustee for the purpose of paying the principal evidenced by the Certificates when due and payable at their stated Principal Payment Date or upon earlier prepayment from Mandatory Sinking Account Payments to provide for the payment of the interest and principal evidenced by the Certificates.

THE OBLIGATION OF THE COUNTY TO MAKE THE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Sources of Funds for Rental Payments; Covenant to Appropriate Funds

The County has covenanted under the Lease Agreement to take such action as may be necessary to include all Base Rental Payments and Additional Rental Payments (which include taxes and assessments affecting the Project, administrative costs of the Corporation relating to the Project, fees and expenses of the Trustee, insurance premiums and other amounts payable under the Lease Agreement or the Trust Agreement), due under the Lease Agreement as a separate line item in its annual budgets and to make the necessary annual appropriations therefor.

Abatement

Base Rental Payments are paid by the County in each Rental Period for the County's right to use and occupy the Project for such Rental Period. The obligation of the County to pay Rental Payments will be abated, during any period in which, by reason of material damage to, or destruction or condemnation of, the Project, or any defect in title to the Project, there is substantial interference with the County's right to use and occupy any portion of the Project, Rental Payments will be abated proportionately, and the County waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement will continue in full force and effect. The County and the Corporation will, in a reasonable manner and in good faith, determine the amount of such abatement; provided, however, that the Rental Payments due for any Rental Period will not exceed the annual fair rental value of that portion of the Project available for use and occupancy by the County during such Rental Period. The County and the Corporation will provide the Trustee with a certificate setting forth the amount of abatement and the basis therefor. Such abatement will continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction

of the Project, ending with the substantial completion of the work of repair or replacement of the Project, or the portion thereof so damaged or destroyed. Notwithstanding the foregoing, to the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments, Rental Payments will not be abated as provided in above but, rather, will be payable by the County as a special obligation payable solely from such Net Proceeds.

The Trustee cannot terminate the Lease Agreement in the event of such substantial interference. Abatement of Rental Payments is not an event of default under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the County. For a description of abatement resulting from condemnation of all or part of the Project, see APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – LEASE AGREEMENT – *Rental Abatement*.”

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Project is substantially higher or lower than its value at the time of the execution and delivery of the Certificates. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Certificates.

If damage, destruction, title defect or eminent domain proceedings with respect to the Project result in abatement of the Rental Payments related to such Property and if such abated Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest evidenced by the Certificates during the period that the Project is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Under the Lease Agreement and the Trust Agreement, no remedy is available to the Certificate Owners for nonpayment under such circumstances.

Action on Default

Should the County default under the Lease Agreement, the Trustee, as assignee of the Corporation under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the County, or may retain the Lease Agreement and hold the County liable for all Rental Payments thereunder on an annual basis. Rental Payments may not be accelerated upon a default under the Lease Agreement. See “RISK FACTORS.”

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – LEASE AGREEMENT – *Events of Default and Remedies*” and “– TRUST AGREEMENT – *Events of Default*.”

Additional Rental Payments

The Lease Agreement requires the County to pay, as Additional Rental Payments thereunder in addition to the Base Rental Payments, such amounts as will be required for the payment of the following: (i) all taxes and assessments of any type or nature charged to the Corporation or the County with respect to or affecting the Project or the respective interests or estates of the Corporation or the County therein; (ii) insurance premiums for all insurance required under the Lease Agreement; and (iii) all other payments not constituting Base Rental Payments required to be paid by the County pursuant to the provisions of the Lease Agreement including all expenses, compensation and indemnification of the Trustee payable by the

County under the Trust Agreement and any amounts with respect to the Lease Agreement or the Certificates required to be rebated to the federal government, and all other payments required to be paid by the County under the Lease Agreement or the Trust Agreement.

Insurance

The Lease Agreement requires the County to cause to be maintained casualty insurance insuring the Project against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood), subject to a \$25,000 loss deductible provision, in an amount equal to the full insurable value of the Project. The casualty insurance required by the Lease Agreement may be maintained in the form of self-insurance by the County, in compliance with the terms of the Lease Agreement. Additionally, the County will insure the property against earthquake and flood risks, casualty events that are optional but not required by the Lease Agreement.

The Lease Agreement requires the County to cause to be maintained, throughout the term of the Lease Agreement, rental interruption insurance to cover the Corporation's (or its assignee's) loss of rental income from the Project caused by perils covered by the casualty insurance described above in an amount not less than two times the maximum remaining scheduled Base Rental Payments in any Rental Period. The County's obligation to maintain such rental interruption insurance may not be satisfied by self-insurance.

The County is also required to obtain certain public liability and property damage insurance coverage in protection of the County and worker's compensation insurance as described under APPENDIX C – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – LEASE AGREEMENT – *Insurance.*"

The County is required under the Lease Agreement to obtain title insurance on the Project, in an aggregate amount of not less than the aggregate principal evidenced by the Certificates, subject only to Permitted Encumbrances, as defined in the Lease Agreement.

Reserve Fund

Pursuant to the Trust Agreement, the County agrees to establish and maintain with the Trustee the Reserve Fund. Within the Reserve Fund, the County shall establish and maintain a separate account designated as the "Series 2018 Reserve Account" and may establish and maintain one or more additional Reserve Accounts, each of which may secure one or more Series of Certificates pursuant to the Trust Agreement and to the Supplemental Trust Agreement authorizing the execution and delivery thereof. The Certificates will be secured by the Series 2018 Reserve Account in the amount of the Reserve Fund Requirement as described below. Amounts in the Series 2018 Reserve Account will secure the principal and interest components of the Certificates only.

[The County will initially satisfy the Reserve Fund Requirement for the Certificates (the "Reserve Fund Requirement") through [a deposit from the proceeds of the Certificates][a Reserve Facility]. "Reserve Fund Requirement" means, (a) with respect to the Common Reserve Certificates, as of the date of any calculation, the least of (i) [50]% of the maximum annual Base Rental Payment payable in any one-year period ending on October 1 under the Lease Agreement for the Certificates, (ii) 10% of the original aggregate principal amount of the Certificates, and (iii) 125% of average annual Base Rental Payments payable in any one-year period ending on October 1 under the Lease Agreement for the Certificates, and (b) with respect to any Series of Additional Certificates, such amount, if any, as shall be specified in the Supplemental Trust Agreement authorizing the issuance of such Series of Additional

Certificates; provided, however, that in no event shall any Reserve Fund Requirement exceed an amount permitted by the Code.]

“Reserve Facility” means any line of credit, letter of credit, insurance policy, surety bond or similar instrument, in form reasonably satisfactory to the County, that (a) names the County as beneficiary thereof, (b) provides for payment on demand, (c) cannot be terminated by the issuer thereof so long as any of the Certificates secured by such Reserve Facility remain Outstanding, (d) is issued by an obligor, the obligations of which under the Reserve Facility are, at the time such Reserve Facility is substituted for all or part of the moneys on deposit in the applicable Reserve Account, rated in one of the two highest rating categories (without regard to any modifier) by any one rating agency then rating the Certificates secured by such Reserve Facility, and (e) is deposited with the Trustee pursuant to the Trust Agreement.

In connection with the execution and delivery of Additional Certificates, there shall be deposited in the Reserve Account established and/or maintained for such Additional Certificates, the amount required to be deposited therein under the Supplemental Trust Agreement pursuant to which such Additional Certificates are issued. The Trust Agreement also permits the execution and delivery of Additional Certificates not secured by any Reserve Account. Such Reserve Account will not secure the Series 2018 Certificates.

The Trust Agreement provides that the County may substitute a Reserve Facility for all or part of the moneys on deposit in any Reserve Account by depositing such Reserve Facility with the Trustee, provided that, at the time of such substitution, the amount on deposit in such Reserve Account, together with the amount available under all Reserve Facilities on deposit in such Reserve Account, shall be at least equal to the Reserve Fund Requirement for such Reserve Account.

Additional Certificates

The Trust Agreement provides that the Trustee, the Corporation and the County may by a Supplemental Trust Agreement provide for the execution and delivery of Additional Certificates evidencing and representing additional principal and interest components of Base Rental Payments. The Trust Agreement contains a number of specific conditions which must be met prior to the execution and delivery of any such Additional Certificates, the proceeds of which may be used for any lawful purpose of the County. See APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — TRUST AGREEMENT – *Additional Certificates*.”

Addition or Deletion of Property Constituting the Site or the Project. The Lease Agreement provides that the Corporation and the County may add any real property to, or may delete any real property from, the Site by amending the Ground Lease, and may add or delete any improvement from the Project by amending the Lease Agreement. The Project Lease specifies a number of conditions which must be met prior to such addition or deletion. See APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — LEASE AGREEMENT – *Additional, Substituted or Deleted Portions of the Project*.”

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Certificates are shown below.

Sources

Principal Amount of Certificates	\$
Net Original Issue Premium	
Total Sources	\$

Uses

[Project Fund]	\$
Capitalized Interest Fund	
Series 2018 Certificate Reserve Account	
Costs of Issuance Fund ⁽¹⁾	
Total Uses	\$

⁽¹⁾ Includes legal, rating agency, [bond insurance,] printing costs, underwriter's discount, municipal advisor, trustee and other miscellaneous costs of issuance.

THE PROJECT

The Certificates are being issued by the County to, among other things, provide funds to finance certain costs of the Project. The total estimated cost of the Project is \$20,500,000, which will be funded with proceeds of the Certificates.

The Project consists of the construction of a 33,000 square foot pre-fabricated County Administrative Office Building (the "Building"), parking for approximately 110 vehicles, and related access improvements. The Project is being constructed on property that was acquired in 2006 for the purposes of a multi-agency Civic Center. The County is one of four agencies (including the Town of Mammoth Lakes, the Judicial Council of California, and the Southern Mono Healthcare District) that hold fee title to different portions of the property. The County's Project is the most recent development on the parcel, following the construction of the Mono Superior Court in 2010, additional hospital parking in 2016, and the Mammoth Police Station in 2017. Anticipated future developments include the Town of Mammoth Lakes Administrative Office Building, and an expansion of Mammoth Hospital.

The County owns in fee two parcels of land which underlie its proposed improvements. The parcels are subject to easements for water, sewer, electrical, communications, cable, street access and drainage ditches in favor of other public entities and private cable and electric providers.

The Project will provide for the consolidation of all County departments currently providing services in various leased spaces within the Town of Mammoth Lakes, including the Board of Supervisors, County Administration, County Counsel, Information Technology, Public Works, Community Development, Probation, District Attorney, Economic Development, Behavioral Health, Social Services and Public Health. The Project will increase efficiency and effectiveness of county operations by co-locating departments and other public agencies, and will greatly improve the convenience, safety, and confidentiality of services to the public.

A Request for Proposals from Design-Build Entities for the Project was distributed on February 26, 2018, and the successful proposal was submitted by Roebbelen Contracting of El Dorado Hills. A

Design-Build Contract between Mono County and Roebelen Contracting was finalized on August 8, 2018, with a contract limit of \$20,500,000 (including contingency of \$1,759,000). Construction is expected to start in April 2019, and the Project is estimated to be available for occupancy in March 2020. The Building will be delivered using the Design-Build delivery method.

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

The Lease Agreement provides that the obligation of the County to make Base Rental Payments with respect to the Project is dependent upon substantial completion of construction of the Project for beneficial use and occupancy. Design work on the Project has begun but construction has not commenced. Interest on the Certificates will be capitalized for [] months beyond the scheduled occupancy date for the Project. The scheduled Base Rental Payments due under the Lease Agreement, together with capitalized interest on the Certificates, are calculated, in the aggregate, to be sufficient to pay the principal of and interest on the Certificates. If the Project is not completed by the date to which interest has been capitalized for the Project, Base Rental Payments or any part thereof, not delivered will be proportionately abated until such time as the Project is ready for beneficial use and occupancy delivers possession. In such an event, amounts may be withdrawn from the Series 2018 Certificate Reserve Account to the extent available to pay the principal of and interest on the Certificates when due. There can be no assurance that completion of the construction of the Project will not be delayed, preventing the beneficial use and occupancy by the date to which interest will be capitalized.

An abatement of Base Rental Payments is not an event of default and no remedy is available under the Lease Agreement to the Certificate holders for nonpayment under such circumstances. See “SECURITY AND SOURCES OF PAYMENT— *Abatement.*”

Substitution or Release

The Lease Agreement provides that, upon compliance with certain conditions specified therein, the County may release from the Lease Agreement any portion of the Project or substitute alternate real property for all or any portion of the Project, subject to the following conditions, among others, precedent to such substitution or release: (a) an independent certified real estate appraiser selected by the County shall have found that the Project, as constituted after such substitution or release, (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of Base Rental Payments payable by the County in any Rental Period, (ii) has a replacement value at least equal to the aggregate amount of principal evidenced by the Certificates then outstanding, and (iii) has a remaining useful life equal to or greater than the remaining term of the Certificates; (b) the County shall have provided the Trustee with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes; and (c) the County shall have certified to the Corporation that the substituted real property is of approximately the same degree of essentiality to the County as the portion of the Project for which it is being substituted.

See APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – LEASE AGREEMENT – *Substitution or Release of the Project.*”

The County has not granted any security interest in the Project for the benefit of the Certificates, and there is no remedy of foreclosure on the Project upon the occurrence of an Event of Default under the Trust Agreement or the Lease Agreement. For a discussion of remedies upon an Event of Default under the Trust Agreement or the Lease Agreement, see “RISK FACTORS – *Limited Recourse on Default*” and “– *Limitations on Remedies.*”

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BASE RENTAL PAYMENTS

The Lease Agreement requires that Base Rental Payments be made on or before each Base Rental Deposit Date, which is the second Business Day next preceding each of the following Interest Payment Dates:

Base Rental Payment Schedule

<u>Period Ending</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Semi-Annual Base Rental Payment</u>	<u>Fiscal Year Base Rental Payment</u>
	\$	\$	\$	\$

Period Ending	Principal Component	Interest Component	Semi-Annual Base Rental Payment	Fiscal Year Base Rental Payment
	\$	\$	\$	\$

THE COUNTY

Introduction

The County is centrally located in the eastern Sierra-Nevada Mountain range. Inyo County borders to the south, Alpine, Tuolumne, Mariposa, Madera and Fresno counties to the west, and the state of Nevada to the north and east. Mammoth Lakes, a growing community and a center of winter sports activities, is located in the southern part of the County. Located in the high desert region on the eastern flank of the Sierra-Nevada Mountain range, Mono County can be geographically characterized as having rugged terrain with steep mountains, narrow valleys, and deserts. In addition, numerous rivers, streams and lakes are scattered throughout the County. Generally speaking, topographic elevations range from 5,000 feet in the lower valleys and up to 14,000 feet in the White Mountains at the southeastern corner of the County.

Other than the Town of Mammoth Lakes, the County’s only incorporated area which year-round population is 7,000, the remainder of the County consists of small communities ranging in population from less than 300 to about 1,200 people. The majority of population centers in the County are found along the Highway 395 corridor, which trends north-south in the western portion of the County. Communities in this area include, from north to south: Topaz, Coleville, Walker, Bridgeport, Mono City, Lee Vining, June Lake, Mammoth Lakes, Crowley Lake, Swall Meadows, Tom's Place, and Paradise Valley. Additional population areas include the Tri-Valley communities of Benton, Chalfant, and White Mountain Estates along Highway 6 in the southeast corner of the County. The remainder of the County is largely uninhabited.

The 2010 census estimates the total Mono County population to be 14,202, which represents a countywide population growth of 1,349 residents, or 10.5 percent, over the population of 12,853 measured in the 2000 census. This represents an average annual population growth of 2.44 percent during that period. The County’s population as of January 1, 2018 is estimated to be 13,822 which represents a loss of 380 residents since the 2010 census.

Approximately 94 percent of Mono County is public land administered by the U.S. Forest Service, the Bureau of Land Management, the State of California, the Los Angeles Department of Water and Power, and local government.. Tourism and recreation are major contributors to the County’s economy. The scenic and recreational attributes of this public land help support tourism and recreation as the major industry in the county. Approximately 38 percent of all employment is directly, or indirectly, associated with this industry. Annually, more than 1.5 million visitors stay in Mono County on average for three days, generating \$369.6 million for the local economy and \$16 million in local taxes. The majority of these visitors travel to and through the county on the state highway system. Major attractions include Mammoth and June Mountain ski areas, Yosemite National Park, Mono Lake, Devils Postpile National Monument, Bodie State Historic Park, and the many lakes, streams and backcountry attractions

accessed through the County communities. Mammoth Lakes, together with June Lake, is Mono County's most visited destination and is home to one of the largest ski resorts in North America.

See APPENDIX A – “GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COUNTY” for additional information regarding the County.

Government and Administration

The County was incorporated in 1861. The City of Bridgeport is the County seat. The County is a general law county and is governed by a five-member Board of Supervisors (the “Board”) elected to serve four-year terms. Other elected officials include the Assessor, District Attorney, and Sheriff-Coroner.

The County government functions as a local government body to serve the needs of its residents. As geographical and political subdivisions of the state, counties serve a dual role: providing municipal services in the unincorporated areas and acting as administrative agents for state and federal government programs and services for all eligible residents County-wide. As a general-law county, Mono County is bound by state law as to the number and duties of County elected officials. The County has five districts that are approximately equal in population with boundaries adjusted every ten years following the federal census. Policymaking and legislative authority are vested in the Board. The Board provides overall direction to the County and its responsibilities include adopting the budget, approving contracts, setting policies and passing ordinances. Board members are elected to four-year staggered terms, and each member represents one of the County's five districts. The County has three elected department heads: Assessor, District Attorney, and Sheriff-Coroner. The County Administrative Officer appoints all other department heads except for the position of County Counsel where the Board is the appointing authority.

During Fiscal Year 2016-17, the County employed 281 full-time equivalent employees to provide a full range of services to its residents. The County's principal functions include seven major areas: general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation and cultural services. The State and Federal governments mandate certain minimum levels of services in the public assistance and health areas. Most services performed by the County are provided for all residents, regardless of whether those residents live in the County's one incorporated town or in the unincorporated areas. Every County resident directly or indirectly benefits from these services.

Financial and Accounting Information

Included in operations are various component units, which provide specific services County-wide or to distinct geographic areas within the County. The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's governing board, and either (i) the County's ability to impose its will on the organization or (ii) the potential for the organization to provide a financial benefit to or impose a financial burden on the County. The following four component units, although legally separate entities, are part of the primary government for financial reporting purposes: Community Service Area #1 – Crowley, Community Service Area #5 – Bridgeport, Community Service Area #2 – Benton, and the County of Mono Economic Development Corporation.

The County's financial accounts are maintained in accordance with the uniform accounting system for counties prescribed by the State Controller in compliance with Section 25253 of the Government Code of the State of California. The financial transactions are organized into funds to

transparently disclose and separate the various activities and transactions of the County and to evidence compliance with finance-related constraints. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The various funds are grouped into three broad fund categories – governmental, proprietary (including enterprise funds and internal service type funds) and fiduciary as described below under the caption “COUNTY FINANCIAL INFORMATION” and in APPENDIX B – “COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017.” Emphasis is on major governmental and enterprise funds, with the remaining governmental and proprietary funds aggregated by fund type and reported as nonmajor funds.

The County reports the following major governmental funds:

- The **General Fund** is the County’s primary operating fund and is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and cultural services and general administration.
- The **Road Fund** provides for maintenance and construction of roadways. Revenues consist primarily of the County’s share of state highway users tax supplemented by federal and state funds.
- The **Realignment Fund** accounts for State realigned activities pursuant to Assembly Bill 109 and other associated legislation transferring responsibility from the State of California to the County for supervision, custody and needs of certain realigned offenders. Revenues are generated from sales taxes and vehicle license fees that are restricted to expenditure for specific social, health, mental health and public safety programs.
- The **Mental Health Services Act Fund** accounts for Proposition 63 funding passed in 2004 to expand and further develop mental health services in the County. It uses state funding to provide services such as wellness center programs, school programs, community garden projects and community social events.

The County reports the following major enterprise funds:

- The **Solid Waste Fund** accounts for revenues and expenses incurred in providing waste collection services at transfer stations throughout the County and waste disposal services at three County landfills. Operations include the permitting, monitoring and maintenance of the County’s three active landfills, as well as three closed landfills, and implementation of recycling programs throughout the County in an effort to maintain and enhance diversion efforts.
- The **Airport Fund** accounts for the operation and maintenance of the County’s two airports that include Bryant Field and Lee Vining Airport. Airport operations include applying for and administering grants to complete Airport Capital Improvement Programs and administration of leases and sub-leases on airport property.

The County reports the following additional fund types:

- The ***Internal Service Funds*** account for financing of goods or services provided by one department to other County departments on a cost reimbursement basis, and as an effective means of financing shared activities. Activities include the County’s copier pool which purchases and maintains copy machines, technology refresh pool which accounts for the replacement of county desktop computers, laptops, servers and the licensing of installed software applications, self-insurance programs, and the County’s motor pool which purchases and maintains vehicles. Department user fees include a capital replacement charge to provide financing for replacing internally utilized assets at the end of their respective useful lives.
- The ***Investment Trust Fund*** accounts for the assets of legally separate entities, which invest in the County Treasurer’s investment pool. These entities include school districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for the County’s one incorporated town. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- ***Agency Funds*** account for assets held by the County as an agent for various individuals, the State of California, or other local governments. These funds are custodial in nature and do not involve measurement of results or operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

COUNTY FINANCIAL INFORMATION

Financial Statements

The County’s Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2017 (the “Mono County 2017 CAFR”), which has been audited by CliftonLarsonAllen LLP, Certified Public Accountants, Roseville, California, is included in this Official Statement as APPENDIX B – “COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017.” The County has not requested nor has CliftonLarsonAllen LLP given consent to the inclusion in such appendix of its report on such financial statements, nor have such accountants reviewed or performed any audit procedures in connection with the preparation of this Official Statement. The County reports that there has been no material adverse change in the County’s financial position since June 30, 2017.

The financial information presented herein was compiled from the Mono County 2017 CAFR and information from the County Department of Finance. The financial and statistical information set forth herein does not purport to be a summary of the Mono County 2017 CAFR. The Mono County 2017 CAFR should be read in its entirety. The financial information summarized herein is for information purposes only and does not constitute the complete financial statements of the County.

The following table shows the County General Fund Balance Sheet for Fiscal Years ended June 30, 2014 through June 30, 2018.

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Table 1
Mono County
General Fund Balance Sheet
Fiscal Years Ended June 30, 2014 Through June 30, 2018⁽¹⁾⁽²⁾

	2014 ⁽³⁾	2015 ⁽³⁾	2016	2017	2018 ⁽¹⁾
ASSETS					
Cash and investments	\$ 7,435,838	\$ 12,475,615	\$ 10,010,528	\$ 10,225,917	\$ 10,206,158
Accounts receivables	937,358	939,627	1,088,632	1,165,825	269,242
Due from other governments	2,499,470	1,971,343	2,471,074	2,229,018	2,408,540
Taxes receivable	276,389	364,454	373,354	282,924	996,208
Loans receivable	--	--	--	660,227	887,327
Due from other funds	1,526,481	1,157,419	9,268	133,336	131,326
Advances to other funds	--	--	855,000	660,000	564,013
Prepaid expenses	19,953	72,203	57,083	90,847	68,665
Inventories	1,266	1,266	1,266	1,266	1,266
Total Assets	\$ 12,696,755	[\$ 16,981,927]	\$ 14,866,205	\$ 15,449,360	\$ 15,532,745
LIABILITIES					
Accounts payable	\$ 223,497	\$ 596,779	\$ 734,898	\$ 841,100	\$ 613,850
Salaries and benefits payable	2,328,049	2,171,484	2,258,754	227,693	832,999
Due to other funds	--	--	51,896	--	--
Deposits from others	800	800	800	800	800
Unearned revenues	1,211,328	1,230,218	1,227,183	--	10,300
Total Liabilities	\$ 3,763,674	\$ 3,999,281	\$ 4,273,531	\$ 1,069,593	\$ 1,457,949
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	\$ 1,061,773	\$ 1,245,084	\$ 955,484	\$ 893,807	\$ 895,708
FUND BALANCE					
Nonspendable	\$ 21,219	\$ 73,469	\$ 913,349	\$ 1,412,340	\$ 1,521,271
Restricted	3,010,167	5,795,284	--	--	--
Assigned ⁽⁴⁾	--	--	4,707,990	7,530,512	2,803,552
Unassigned ⁽⁴⁾	4,839,922	5,868,809	4,015,851	4,543,108	8,854,265
Total Fund Balance	\$ 7,871,308	\$ 11,737,562	\$ 9,637,190	\$ 13,485,960	\$ 13,179,088

(1) Figures for Fiscal Year 2017-18 are unaudited actuals.

(2) This statement is a summary statement only. The complete audited financial statements of the County, including the notes to the audited financial statements, are an integral part of and necessary to a complete understanding of this statement. The Mono County audited financial statements for Fiscal Year ended June 30, 2017 appear in the Mono County 2017 CAFR attached as Appendix B attached hereto. The County's Comprehensive Annual Financial Reports, including audited financial statements, for prior years can be found on the County's website found at www.monocounty.ca.gov. Information on such website is not incorporated herein by reference.

(3) Includes balances and activities of the Mental Health Services Act, Behavioral Health, Social Services, and Disaster Assistance Funds which were reclassified as special revenue funds beginning with the Fiscal Year ended June 30, 2016 and are no longer included in general fund balances.

(4) The substantial increase in unassigned fund balance and the corresponding decrease in assigned fund balance for the year ended June 30, 2018, is the direct result of a change in the County's budget process. See "COUNTY FINANCIAL INFORMATION – Budgetary Process."

See "Table 5 – Mono County – General Fund Budgets."

Source: Mono County Comprehensive Annual Financial Reports.

The following table shows the County General Fund Statement of Actual Revenues, Expenditures and Changes in Fund Balance for Fiscal Years ended June 30, 2014 through June 30, 2018.

Table 2
Mono County
General Fund Statement of Actual Revenues, Expenditures
and Changes in Fund Balance
Fiscal Years Ended June 30, 2014 Through June 30, 2018⁽¹⁾⁽²⁾

	2014⁽³⁾	2015⁽³⁾	2016	2017	2018⁽¹⁾
Revenues:					
Taxes	\$ 21,063,331	\$ 21,724,168	\$ 23,495,253	\$ 24,095,792	\$ 25,201,433
Licenses and permits	657,676	648,972	368,745	314,098	340,140
Fines, forfeitures and penalties	604,848	696,509	750,906	797,918	1,069,705
Use of money and property	125,356	125,658	105,494	158,688	279,589
Intergovernmental	13,558,723	12,357,819	4,773,034	4,811,271	3,515,808
Charges for services	4,906,902	5,116,577	3,097,371	2,972,213	3,377,545
Other revenues	45,775	74,863	129,503	44,428	28,383
Total Revenues	<u>40,962,611</u>	<u>40,744,566</u>	<u>32,720,306</u>	<u>33,194,408</u>	<u>33,812,603</u>
Expenditures:					
General government	12,104,519	10,147,713	8,893,616	10,440,806	11,313,941
Public protection	15,170,225	14,186,823	15,370,785	15,713,083	17,548,604
Public ways and facilities	650,894	--	--	--	--
Health and sanitation	8,874,618	8,531,304	3,771,351	3,678,113	4,009,376
Public assistance	3,965,880	4,254,460	46,849	46,849	172,746
Education	35,567	39,164	39,784	41,847	25,566
Recreation and culture	25,316	--	--	--	--
Debt service	--	122	--	--	23,969
Total Expenditures	<u>40,827,019</u>	<u>37,159,586</u>	<u>28,122,385</u>	<u>29,920,698</u>	<u>33,094,202</u>
Other Financing Sources (Uses):					
Proceeds from issuance of debt	--	--	--	--	224,000
Sale of capital assets	926	6,650	--	--	--
Transfers in	2,080,413	2,355,645	1,351,342	1,481,946	1,558,679
Transfers out	<u>(5,279,201)</u>	<u>(2,025,683)</u>	<u>(2,115,831)</u>	<u>(2,458,348)</u>	<u>(2,807,952)</u>
Total Other Financing Sources (Uses)	<u>(3,197,862)</u>	<u>336,612</u>	<u>(764,489)</u>	<u>(976,402)</u>	<u>(1,025,273)</u>
Net Changes in Fund Balance	(3,062,270)	3,921,592	3,833,432	2,297,308	(306,872)
Fund Balance, Beginning of Year	10,933,578	7,871,308	11,737,562	9,637,190	13,485,960
Prior period adjustments	--	--	(51,896)	1,551,462	--
Reclassifications	--	<u>(55,338)</u>	<u>(5,881,908)</u>	--	--
Fund Balance, End of Year	<u>\$ 7,871,308</u>	<u>\$ 11,737,562</u>	<u>\$9,637,190</u>	<u>\$ 13,485,960</u>	<u>\$ 13,179,088</u>

(See footnotes on following page.)

⁽¹⁾ Figures for Fiscal Year 2017-18 are unaudited actuals.

⁽²⁾ This statement is a summary statement only. The complete audited financial statements of the County, including the notes to the audited financial statements, are an integral part of and necessary to a complete understanding of this statement. The Mono County audited financial statements for Fiscal Year ended June 30, 2017 appear in the Mono County 2017 CAFR attached as Appendix B attached hereto. The County's Comprehensive Annual Financial Reports, including audited financial statements, for prior years can be found on the County's website found at www.monocounty.ca.gov. Information on such website is not incorporated herein by reference.

⁽³⁾ Includes balances and activities of the Mental Health Services Act, Behavioral Health, Social Services, and Disaster Assistance Funds which were reclassified as special revenue funds beginning with the Fiscal Year ended June 30, 2016 and are no longer included in general fund balances.

Source: Mono County Comprehensive Annual Financial Reports.

Budgetary Process

The County is required by State law to adopt a balanced budget by October 2 of each fiscal year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for the General Fund, most special revenue funds, capital project funds, the debt service fund, and all proprietary funds. The County maintains budgetary controls to assure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Unencumbered annual appropriations lapse at year-end. The legal level of control for appropriations is exercised at the budget unit level within each fund. Appropriations beyond that level may only be adjusted during the year with approval of the Board. Management may make adjustments at their discretion below that level. Such adjustments by the Board and management are reflected in the revised budgetary data presented in the financial statements. Prior to adoption of the budget, a public hearing is held to receive comments.

In previous years, the Board approved a tentative budget no later than June 30 of each year which established the legal authority for spending until a final budget was adopted on or before October 2. The compelling reason for using a tentative budget followed by formal budget development during the months of July, August and September, was the delay in determining an accurate carryover fund balance, an amount usually not known until late August, and the need to legally balance each year's budgetary deficit spending using the carryover.

Starting with the Fiscal Year 2018-19 budget, the Board and County management seek to adopt a structurally balanced budget where recurring revenues are equal to recurring expenditures, such that reliance on carryover fund balance to finance on-going operations is eliminated. Once the carryover fund balance is known, additional requested capital and other one-time expenditures are added to appropriate some share of the carryover funds by adopting a budget amendment planned for September or October of each year. While not structurally balanced, the Fiscal Year 2018-19 budget adopted by the Board in June using this initial process was balanced, as required by law, using \$1.5 million of carryover fund balance.

On October 2, 2018, the Board approved funding additional expenditures of \$4.7 million from carryover fund balance, including adding \$1.5 million to reserves, but not all of the additional appropriations were considered capital or one-time spending. While the funding of ongoing operations from carryover fund balance is not intended, using this new budgetary process the County recognizes the budgeting process requires give and take, which means making tough strategic choices about funding priorities. With the strategic priority of fiscal resiliency, the County is moving towards adopting a structurally balanced budget in June rather than waiting until September or October when carryover fund balance is known. While it became necessary this first year to postpone certain critical expenditures that enhance County fiscal health or fulfill mandates until the later budget revision, the County is working to better identify and implement strategic priorities and become more precise in projecting long term revenues and expenditures. As this occurs, critical expenditures and value-added programs will be

included in the structurally balanced budget by making small consistent improvements, along with commitment and discipline towards this process over time.

General Reserve

As of June 30, 2018, the County’s General Fund balance includes \$2,218,959 as the general reserve. The general reserve is set by the Board during each year’s budget adoption. County policy recommends a reserve balance of five percent to 15 percent of General Fund expenditures. Once established, spending of the reserve balance is only allowed for a legally declared emergency. Otherwise, the general reserve may only be established, cancelled, increased, or decreased at the time the budget is adopted. The chart below outlines the changes in the County’s general reserve balance over the past several years.

Table 3
Mono County
General Reserve
Fiscal Years Ended June 30, 2008 Through June 30, 2019

Fiscal Year Ended June 30	Additions (Deletions)	General Reserve Balance
2008	—	\$4,894,128
2009	\$815,103	5,709,231
2010	(1,178,104)	4,531,127
2011	(2,282,615)	2,248,512
2012	(633,158)	1,615,354
2013	128,100	1,743,454
2014	804,598	2,548,052
2015	(937,557)	1,610,495
2016	52,596	1,663,091
2017	275,860	1,938,951
2018	280,008	2,218,959
2019 ⁽¹⁾	500,000	2,718,959

⁽¹⁾ Projected balance
Source: Mono County Department of Finance

Economic Stabilization

With the Fiscal Year 2016-17, the County established an economic stabilization reserve within the General Fund balance for the purpose of accumulating resources to offset future revenue losses during an economic downturn and to provide contingency funding for sustaining County services during the next recession. The chart below outlines the changes in the County’s economic stabilization reserve balance since inception.

Table 4
Mono County
Economic Stabilization Reserve
Fiscal Years Ended June 30, 2017 Through June 30, 2019

Fiscal Year Ended June 30	Additions (Deletions)	Economic Stabilization Reserve Balance
2017	\$1,123,832	\$ 1,123,832
2018	681,360	1,805,192

2019 ⁽¹⁾	1,024,180	2,829,372
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⁽¹⁾ Projected balance
Source: Mono County Department of Finance

General Fund Budgets

Historic

Set forth in the following table is a summary statement of the final General Fund Budgets for Fiscal Years ended June 30, 2014 through June 30, 2018.

Table 5
Mono County
General Fund Budgets
Fiscal Years Ended June 30, 2014 Through June 30, 2018⁽¹⁾

	2014 ⁽²⁾ Final Budget	2015 Final Budget	2016 Final Budget	2017 Final Budget	2018 ⁽³⁾ Final Budget
Revenues:					
Taxes	\$21,055,854	\$ 20,276,000	\$ 20,185,657	\$ 21,516,000	\$ 23,153,000
Licenses and permits	598,288	326,700	325,694	360,400	321,500
Fines, forfeitures and penalties	532,950	527,950	528,625	617,375	697,375
Use of money and property	100,420	32,800	38,500	54,800	176,113
Intergovernmental	13,232,772	3,651,435	5,362,171	5,612,346	5,227,654
Charges for services	4,526,785	3,858,896	5,236,978	4,537,237	4,141,168
Other revenues	1,196,272	300,144	342,003	155,636	10,500
Long-term debt proceeds	--	--	--	--	224,000
Sale of capital assets	--	1,500	--	--	--
Transfers in	3,357,801	1,583,175	2,031,649	1,971,602	2,400,472
Total Revenues	<u>44,601,142</u>	<u>30,558,600</u>	<u>34,051,277</u>	<u>34,825,396</u>	<u>36,351,782</u>
Expenditures:					
General government	12,989,840	11,192,220	13,324,553	15,818,671	17,228,098
Public protection	17,074,809	16,063,097	18,955,931	19,128,957	20,317,745
Public ways and facilities	665,326	--	--	--	--
Health and sanitation	9,429,530	3,947,486	3,938,778	4,220,468	4,365,679
Public assistance	4,583,997	221,432	87,000	88,617	172,072
Education	37,510	39,164	--	--	25,000
Recreation and culture	146,300	--	--	--	--
Transfers out	3,461,005	2,173,353	--	--	--
Contingency	--	--	12,620	99,633	10,552
Total Expenditures	<u>48,388,317</u>	<u>33,636,752</u>	<u>36,318,882</u>	<u>39,356,346</u>	<u>42,119,146</u>
Net change in budgetary fund balance	(3,787,175)	(3,078,152)	(2,267,605)	(4,530,950)	(5,767,364)
Budgetary fund balance, beginning	<u>10,933,578</u>	<u>767,249</u>	<u>4,111,008</u>	<u>9,385,071</u>	<u>10,336,468</u>
Budgetary fund balance, ending	<u>\$ 7,146,403</u>	<u>\$ (2,310,903)</u>	<u>1,843,403</u>	<u>\$ 4,854,121</u>	<u>\$ 4,569,104</u>

(1) This statement is a summary statement only. Changes in formatting were necessary for maintaining consistency from year to year. The complete audited financial statements of the County, including the notes to the audited financial statements, are an integral part of and necessary to a complete understanding of this statement. The Mono County audited financial statements for Fiscal Year ended June 30, 2017 appear in the Mono County 2017 CAFR attached as Appendix B attached hereto. The County's Comprehensive Annual Financial Reports, including audited financial statements, for prior years can be found on the County's website found at www.monocounty.ca.gov. Information on such website is not incorporated herein by reference.

(2) Includes balances and activities of the Mental Health Services Act, Behavioral Health, Social Services, and Disaster Assistance Funds which were reclassified as special revenue funds beginning with the Fiscal Year ended June 30, 2016 and are no longer included in general fund balances.

(3) Unaudited; subject to adjustment and revision.

Source: Mono County Comprehensive Annual Financial Reports.

Fiscal Year 2018-19 – Appropriations

The Board adopted the Fiscal Year 2018-19 Budget (the "Fiscal Year 2018-19 Adopted Budget") on June 12, 2018. Budgeted appropriations for the general fund total \$37.2 million for Fiscal Year 2018-19, supporting a County-wide workforce of 317.55 authorized positions. The general fund supports 14 departments which encompass most County services and basic governmental functions including public safety and criminal justice, emergency medical services, land use, recreation, environment, administration

and finance. Including the phase II budget amendment approved by the Board on October 2, 2018, appropriations decreased by \$150,748 over the Fiscal Year 2017 adopted budget. Following is an overview and highlights of the adopted budget for the general fund:

Fiscal Year 2018-19 – Revenues

Estimated general fund revenues total \$36.4 million for Fiscal Year 2018-19. Revenue from taxes is the largest revenue source estimated at \$24.3 million and represent the bulk of the County's discretionary monies. The County's public safety and administrative activities are the largest recipients of these revenues and rely on these monies as the primary means of supporting their programs. Revenue from federal and state sources total an estimated \$4 million and represent the second largest source for General Fund Departments. Other sources of funding include: charges for services (\$4.3 million); transfers (\$1.6 million), which mostly include operating transfers received from realignment funds; revenue from license, permit, and franchise fees (\$291,400); and fines, forfeitures, and penalties (\$810,000).

Estimated changes in major budgetary resources compared to Fiscal Year 2017-18 are summarized below:

- **Property Tax Revenue.** Property tax sourced revenue sustained steep reductions through the economic downturn and its aftermath, declining \$1.9 million, or 10.7%, from peak to trough. This decline was a defining factor behind six years of budget reductions following the onset of the recession. Since that time, assessed values have nearly recovered to pre-2008 levels. For forecasting purposes, the County Administrative Office assumes assessed values for Fiscal Year 2018-19 will increase by 2.0% as allowed by the State Board of Equalization under Proposition 13 because of CPI growth and another 2.15% resulting from roll corrections, ownership changes, and typical valuation corrections. This yields approximately \$706,000 in increased revenue. Annual growth of 2% to 4% is projected for the two out years of the forecast, which produce annual revenue gains of approximately \$354,000 to \$709,000.
- **Fund Balance.** Beyond any growth in annual revenue, the County also has funding held in reserve. The County established these reserves in prior budgets and by contributing to reserves when operating surpluses are realized. The County has two reserves. The General Reserve is projected at \$2.7 million for responding to natural disasters or other local emergencies. The Economic Stabilization Reserve is projected at \$2.8 million for offsetting revenue losses and sustaining critical County programs during an economic downturn.

Fiscal Year 2018-19 – Cost Drivers

The County's revenue growth has not kept pace with escalating costs. Departments that operate on a cost-reimbursement basis, such as Social Services and Health, can pass along much of the increased cost to the federal and State government or other sources. Other departments cannot, and rely on augmentations of general fund contributions to meet increased costs. Over the last several budget cycles, departments have eroded operational flexibility as they have eliminated vacant positions and pursued other savings opportunities to absorb rising costs and keep their budgets balanced. Following is a discussion of ongoing cost drivers that are affecting the budget.

Pension contributions are expected to continue increasing in future years. Since Fiscal Year 2014-15, the County's contributions toward employee pensions have increased due to changes in CalPERS' actuarial methodology. These changes include:

- Future changes in amortization and rate smoothing policies to accelerate paying down large unfunded liabilities.
- Adoption of new demographic assumptions that show retirees are living longer, and thus requiring higher lifetime payout of benefits.
- Approval of a new funding risk mitigation policy to incrementally lower the "discount rate," which represents CalPERS' expected annual rate of return on investments.

Based on actuarial data, the County's contributions to CalPERS increase \$563,906, or 13.37%, in Fiscal Year 2017-18. Future years are expected to increase at a much higher rate, due to the implementation of a discount rate reduction from 7.5% to 7.0%, to be phased in over three years, effective July 1, 2018, and the CalPERS Board decision to reduce the amortization period from thirty years to twenty beginning with the Fiscal Year 2021-22. CalPERS' decision to lower the discount rate is due to changes in market conditions, including actual realization at lower rates of return, greater volatility, and a desire to close the cash flow funding gap. The decision to shorten the amortization period is primarily to ensure financial solvency of the pension plan to meet future retirement obligations. CalPERS has provided public agencies with estimates of potential future cost increases.

On January 19, 2017, CalPERS released a Circular Letter regarding discount rate changes. The letter provided information to public agency employers to calculate projected pension cost increases in future years which included low and high ranges. Circular 200-027-18 was published on April 26, 2018 to inform CalPERS employers about the change in amortization policy.

In Fiscal Year 2011-12, a County off-book debt obligation with CalPERS was refinanced creating a new booked obligation. While the actual cost decreased because of paid interest rate savings, the debt became recorded as a general fund liability wherein previously this was a cost blended in with the normal employer's CalPERS rate. See "COUNTY FINANCIAL INFORMATION – *Outstanding Long Term Debt.*"

State of Funding of Counties

Counties are the principal agents for providing services on behalf of the State, particularly in the areas of public health, welfare, judicial and corrections programs, as well as providers of local services in a variety of areas, including law enforcement, roads, libraries, agriculture, child support and various social service programs. Substantial portions of many of these services are implementations of State mandated programs and State administered federal programs supported by State and federal revenues. Currently, approximately 21.84% of the County's General Fund revenues are derived from State and federal agencies. The tension between counties and the State is often the adequacy of State provided revenue for State mandated programs. Historically, the County has been able to reduce expenditures when necessary to match available funding sources, as required by law. The financial condition of the State has an impact on the level of these revenues.

As to discretionary General Fund expenditures however, currently approximately 17% of the County's Fiscal Year 2018-19 General Fund Budget consists of payments from the State of California.

From time to time in the past, the State has experienced financial difficulties which resulted in reduced funding for local governments, including counties. There can be no assurances that potential future state financial difficulties will not materially adversely affect the County's financial condition. Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance (the "DOF"), <http://www.dof.ca.gov>, under the heading "California Budget." An impartial analysis of the budget is posted by the Legislative Analyst's Office (the "LAO") at <http://www.lao.ca.gov>. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on counties in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriter, and neither the County nor the Underwriter takes any responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Property Taxes

The County collects property taxes against all property on the secured roll in two annual installments and on the unsecured roll in a single installment. Property taxes are derived on the basis of an ad valorem tax levied against the current assessed valuation of property in the County. Ad valorem property taxes are projected to contribute approximately \$17 million to General Fund revenues, equating to approximately 46% of total General Fund non-program revenues for Fiscal Year 2018-19.

The assessed valuation of property in the County is established by the County Assessor except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at the full value of the property as defined in Article XIII A of the California Constitution. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – *Article XIII A of the California Constitution*" in this *Official Statement*.

Taxes are levied for each fiscal year on taxable real and personal property, which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The secured roll is that part of the assessment roll containing State-assessed property and property the taxes on which are a lien on real property sufficient in the opinion of the County Assessor to secure payment of the taxes. Other property is assessed on the "unsecured roll." Property taxes on the secured roll are due in two installments on November 1 and February 1 of each fiscal year and, if unpaid, become delinquent on December 10 and April 10 respectively. A penalty of 10% attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted after 5:00 p.m. on June 30th of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of one and one-half percent per month to the time of redemption plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes:

(1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property improvements or possessory interests belonging or assessed to the delinquent taxpayer.

Assessed Valuation

The following table represents a ten-year history of assessed valuation in the County. The assessed valuation of property in the County is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIII A of the California Constitution.

Table 6
Mono County
Assessed Value of Taxable Property
(In Thousands of Dollars)

Fiscal Year Ended June 30	Secured Roll ⁽¹⁾	Unsecured Roll ⁽²⁾	Exemptions ⁽³⁾	Net Assessed Valuations	Percentage Change
2009	\$ 6,077,844	\$ 354,042	\$ 43,685	\$ 6,388,201	—
2010	5,656,315	897,720	54,438	6,499,597	1.74%
2011	5,255,407	881,140	55,020	6,081,527	(6.43)
2012	5,129,027	675,957	57,004	5,747,980	(5.48)
2013	5,072,813	575,835	58,574	5,590,074	(2.75)
2014	5,128,486	398,473	59,899	5,467,060	(2.20)
2015	5,241,684	398,352	60,322	5,579,714	2.06
2016	5,381,852	397,894	62,257	5,717,489	2.47
2017	5,474,199	401,736	63,206	5,812,729	1.67
2018	5,624,767	406,262	64,067	5,966,962	2.65
2019 ⁽⁴⁾	5,777,118	418,118	65,260	6,129,976	2.73

⁽¹⁾ Secured property is generally the real property, which is defined as land, mineral, timber, and improvements such as buildings, structures, crops, trees and vines. Also included in secured roll are unitary properties, including railroads and utilities, which cross the County and are assessed by the State Board of Equalization.

⁽²⁾ Unsecured property is generally personal property, including machinery, equipment, office tools, supplies, mobile homes, and aircraft.

⁽³⁾ Exempt properties include numerous full and partial exclusions/exemptions provided.

⁽⁴⁾ Fiscal Year 2018-19 reflects data to date, final assessed values may change by the end of the tax year.

Source: Mono County Property Tax System

Tax Levies, Collections and Delinquencies

The County levies and collects all property taxes for property falling within its taxing boundaries. The County has not adopted the alternative method of secured property tax apportionment known as the Teeter Plan, which provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year-end. The table below sets forth the levies, collections and percent of collections and levies for property taxes in the County for the last ten fiscal years.

Table 7
Mono County
Property Tax Levies and Collections
(In Thousands of Dollars)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy ⁽²⁾		Collections in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$61,511	\$58,102	94.46%	\$3,408	\$61,510	99.99%
2010	65,208	57,969	88.90	7,214	65,183	99.96
2011	61,210	54,658	89.30	6,519	61,177	99.95
2012	58,030	54,847	94.52	3,150	57,997	99.94
2013	56,893	55,986	98.41	883	56,869	99.96
2014	54,989	53,288	96.91	1,657	54,945	99.92
2015	56,118	54,051	96.32	2,022	56,073	99.92
2016	57,736	55,635	96.36	2,023	57,658	99.86
2017	58,487	56,905	97.30	1,464	58,369	99.80
2018	60,059	59,698	99.40	124	59,822	99.61

⁽¹⁾ Includes Secured, Unsecured, and Unitary Taxes levied for the County itself, school districts, cities and special districts under the supervision of their own governing boards. Includes adjustments to the tax rolls from the levy date to delinquency date.

⁽²⁾ Includes amounts collected by the County on behalf of itself, school districts, cities and special districts under the supervision of their own governing boards.

⁽³⁾ Includes adjustments to the levy. Taxes levied less collections to date equal the delinquent taxes receivable.

Source: Mono County Property Tax System

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The following table represents the ten largest taxpayers of local secured property taxes within the County as of June 30, 2017.

Table 8
Mono County
Ten Largest Taxpayers
Fiscal Year Ended June 30, 2017

Taxpayer	Type of Business	Taxable Assessed Value (\$'000)	Rank	Percentage of Total County Assessed Value
City of Los Angeles	Government	\$319,157	1	5.21%
Southern California Edison	Utility	93,966	2	1.53
Magma Energy Incorporated	Utility	82,425	3	1.34
IW Mammoth Holdings	Developer	50,787	4	.83
Ormat	Utility	35,671	5	.59
Mammoth Pacific	Utility	27,955	6	.46
Snowcreek Investment Company	Developer	22,049	7	.36
Metric Mammoth, LLC	Restaurant Facilities	16,434	8	.27
JPK Mammoth Village Owner	Commercial Facilities	15,540	9	.25
Vons Company, Inc	Retail Store	13,506	10	.22
Total		677,490		11.06

Source: Mono County Property Tax Software

Transient Occupancy Tax

Tourism is a major economic sector in the County and represents an important revenue stream. Approximately 80 percent of all employment is directly, or indirectly, associated with this industry. The County collects Transient Occupancy Tax (“TOT”) revenues from hotel operators, AirBnB, VRBO, HomeAway and other home rental sites for the privilege of occupancy in any hotel as a percentage of the rent charged by the operator. The tax constitutes a debt owed by the transient to the County which is extinguished only by payment to the operator or to the County. The rate for the County is 12%.

Annually, an estimated 1.5 million visitors visit Mono County and stay on average approximately three days, generating \$16 million in lodging and retail sales taxes countywide. The County is a destination of choice for many travelers from not only the U.S., but from countries across the globe. For this reason, economic conditions both in the U.S. and abroad influence these revenues. In 2017, TOT receipts increased by 7.2% over the previous year and have increased by 29.85% over the last three years. These increases are due largely to the increased number of international travelers to the County. TOT revenues reached an all-time high of \$3.56 million in Fiscal Year 2017-18. In addition to local tax revenues, in 2016, tourism contributed 3,839 full time jobs to the local economy, 48.1% of the county's total employment.

Table 9
Mono County
Transient Occupancy Tax Receipts
Fiscal Years Ended June 30, 2009 Through June 30, 2018

<u>Fiscal Year Ended June 30</u>	<u>TOT Receipts</u>	<u>Growth Rate</u>
2009	\$2,504,045	—
2010	2,357,411	(5.86)%
2011	2,326,471	(1.31)
2012	2,472,355	6.27
2013	2,416,503	(2.26)
2014	2,590,571	7.20
2015	2,741,890	5.84
2016	3,025,975	10.36
2017	3,321,117	9.75
2018	3,560,345	7.20

Source: Mono County Transient Occupancy Tax Statistics

Sales Taxes

The State collects a tax on retail transactions within the County and rebates 1% to the County. Sales and use taxes contributed \$597,336 to the County’s General Fund revenues in the Fiscal Year ended June 30, 2018, equating to 1.6% of total General Fund revenues for that fiscal year. The County receives a share of sales tax revenues generated from taxable sales in the unincorporated areas of the County. The following table illustrates, for unincorporated areas of the County only, the historical sales tax receipts to the General Fund for the Fiscal Years 2011-12 through 2017-18, the estimated sales tax receipts for Fiscal Year 2018-19, and the computed annual rate of change for such periods.

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Table 10
Mono County
Historical Taxable Sales and Sales Tax Receipts for Unincorporated Areas
Fiscal Years Ending June 30, 2012 Through June 30, 2019

Fiscal Year Ended June 30	Taxable Sales ⁽¹⁾	Sales Tax Receipts ⁽¹⁾	Growth Rate of Sales Tax Receipts ⁽⁴⁾
2012	\$ 43,488,933	\$ 326,167	—
2013	55,277,200	414,579	12.74%
2014	64,500,800	483,756	14.04
2015	42,451,733	318,388	(0.60)
2016 ⁽²⁾	56,784,400	567,844	11.73
2017	58,537,500	585,375	10.24
2018	59,733,600	597,336	9.03
2019 ⁽³⁾	63,000,000	630,000	8.58

- ⁽¹⁾ Taxable sales and sales tax receipts reflect point-of-sale transactions only for the unincorporated county area.
⁽²⁾ End of the State’s triple-flip swap that redirected 25% of the County’s sales tax revenues for repayment of state bonds.
⁽³⁾ 2018-19 taxable sales and sales tax receipts are estimated.
⁽⁴⁾ Average annual growth rate of sales tax receipts since Fiscal Year 2011-12.
Source: County Department of Finance

Among the information set forth in APPENDIX A – “GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE COUNTY” is a profile of total taxable sales within the County for the past five years on a calendar year basis as reported by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017 restructured the State Board of Equalization into three separate entities: the State Board of Equalization, the California Department of Tax and Fee Administration (“CDTFA”) and the Office of Tax Appeals. The CDTFA handles most of the taxes and fees previously collected by the Board of Equalization, including sales and use tax as of July 1, 2017.

Outstanding Long-Term Debt

As of June 30, 2018, the County was obligated to make payments for debt service on approximately \$2.9 million of then currently outstanding aggregate principal amount of long-term bond, note, and loan obligations.

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The following table summarizes the County’s long-term debt outstanding at fiscal year end June 30, 2018.

Table 11
Mono County
Long-Term Debt Outstanding
For the Year Ended June 30, 2018

Summary of Long-Term Liabilities

	Maturity	Interest Rates	Principal Installments	Date of Issue	Amount Authorized	Outstanding June 30, 2018
Pension obligation bonds	2023	4.36%	\$116,300 - \$762,900	2012	\$ 4,612,900	\$ 696,600
Note payable to Mono County Investment Pool for Innoprise Financial System	2019	1.25%	\$10,903 - \$43,536	2015	356,302	68,195
Note payable to Mono County Investment Pool for elections equipment	2022	2.5%	\$21,169 - \$23,673	2017	224,000	202,831
					<u>\$ 5,193,202</u>	<u>\$ 967,626</u>
<u>Business-type activities</u>						
Solid Waste refunded certificates of participation for closure-postclosure activities	2025	4.29%	\$189,000 - \$316,100	2011	\$ 3,609,000	\$ 1,945,900
					<u>\$ 3,609,000</u>	<u>\$ 1,945,900</u>

Source: Mono County Department of Finance.

In 2003, California legislation mandated that all agencies with less than 100 active members in a single plan be enrolled in a risk-sharing pool in order to establish less volatile employer contribution rates for smaller units. At the time of joining a risk-sharing pool, a “Side Fund” was created to account for the difference between the funded status of the County’s plan and the funded status of the risk pool. Mono County’s safety related plans have such a side fund, considered by CalPERS to be treated as loans for which interest was assessed at 7.75% per year. The pension obligation bonds disclosed in Table 11 were issued by the County to refinance the side fund (CalPERS debt) at a reate less than that assessed by CalPERS. The County realized combined total savings of \$522,660 as result of this debt issuance. See the PENSION OBLIGATIONS section.

The County is a party to capital equipment leases and operating leases requiring annual lease payments by the County. See APPENDIX B – “COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017.”

Investments of County Funds; County Pool

All funds in the County Treasurer’s Pooled Investments (the “County Pool”) are invested by the County Treasurer, according to Sections 53601 and 53635, *et seq.* of the California Government Code and the County’s Investment Policy (the “Investment Policy”), amended and approved by the Board on September 11, 2018, prepared by the County Treasurer. The Investment Policy is submitted to the Board for review and approval on an annual basis, and the Treasurer presents a performance review of the County Pool to the Board on a quarterly basis. The County Pool represents moneys deposited by the County, Town of Mammoth Lakes, and school and special districts within the County. The Investment Policy requires that all investments comply with the California Government Code, and provides that the County Treasurer will establish and define authorized investments as well as credit, marketability,

maturity and diversification criteria for the investments. The stated goal of the Investment Policy, in order of priority, is to minimize risk to principal (Safety), provide available cash to meet anticipated needs (Liquidity), and maximize earnings (Return). The County Treasurer or her designee reviews the investment records, the contents of the County Pool, and the specific financial institutions with whom investments have been made.

The total amortized book value of the County Pool as of June 30, 2018 was \$93,638,816 spread among 143 separate investments of which 44.5% (approximately \$41,700,000) represented the County's share with the remaining balance belonging to the Town of Mammoth Lakes, school, community college, special districts, and trust and agency funds held for the benefit of third parties. The market value was \$92,068,408 and was 98.323% of the amortized book value. The County Pool's weighted average yield was 1.7564%, and its earned income for the quarter ended June 30, 2018 was \$433,750. The weighted average maturity of the portfolio was 659 days. Approximately 22.17% (approximately \$20,700,000 book value) of the County Pool was in cash or invested in instruments with one-day maturities, money market funds. Approximately 46.2% (approximately \$43,200,000 amortized book value) of the County Pool was invested in various U. S. Treasury and federal agency securities. Approximately 9.2% (approximately \$8,600,000 par value) of the County Pool consisted of corporate notes rated A3 or better. The County Pool contains no reverse repurchase agreements and does not engage in securities lending. The pool contains no inverse floating rate instruments.

Pension Obligations

Plan Description

The County's defined benefit pension plans – the Miscellaneous Plan of Mono County ("County MP" or "Miscellaneous Plan") and the Safety Plan of Mono County ("County SP" or "Safety Plan") – provide pensions for all qualified permanent and probationary full-time general and public safety employees, respectively, of the County and Mono County Superior Court (non-judicial employees). The County MP is an agent multiple-employer defined benefit pension plan while the County SP is a cost-sharing multiple-employer defined benefit plan. Both plans are administered by the California Public Employees' Retirement System ("CalPERS"), which acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. Benefit provisions and other requirements are established by State statutes within the Public Employees Retirement Law and County resolution.

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. Changes in actuarial assumptions and benefit levels in the recent past have significantly increased pension cost estimates. Current required contributions are determined by reference to the June 30, 2017 actuarial valuations provided by CalPERS in July 2018 (the "2018 CalPERS Report"), using the entry age normal actuarial cost method. For much of the remainder of this section, disclosure information is obtained from the CalPERS actuarial valuation up through and as of June 30, 2015, which is applicable to the Fiscal Year 2017-18 County contributions. Where possible, subsequent additional actuarial information is included for CalPERS valuations as of June 30, 2016 and 2017.

Benefits Provided

The Miscellaneous Plan and the Safety Plan provide retirement, disability, annual cost of living adjustments, and death benefits. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed period. Non-vested employees who terminate service are entitled to withdraw

their accumulated contributions plus accrued interest. Alternatively, employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

Service related disability benefits are provided to Safety Plan members based on final compensation. Nonservice related disability benefits are provided to members of both plans. The benefit is based on final compensation, multiplied by service, which is determined as follows:

- service is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- service is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired at time of death.

Annual cost-of-living adjustments (“COLAs”) are provided in all plans beginning the second calendar year after the year of retirement based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers and is subject to a maximum of 2% per annum.

There are two classes of employees under each plan: Classic (employees who joined CalPERS prior to January 1, 2013) and PEPR (Public Employees’ Pension Reform Act of 2013 – employees who joined CalPERS on or after January 1, 2013). Benefit levels vary within the classic class based on prior agreement reached between certain employee groups and the Board. Therefore, the classic class is further divided into tiers. The classic level is closed for new entrants in all plans except as transfers from other reciprocal agencies.

The Mono MP includes Mono County Superior Court administrative employees. In accordance with the Trial Court Fund Act, Court employees are no longer employees of the County, but of the State instead. The Public Employees Retirement Law (PERL) provides that in counties contracting with CalPERS, the trial court and the County participate in CalPERS via a joint contract. California law requires the combining of assets and liabilities of a county and a trial court for purposes of setting the employer contribution rates for both the county and the trial court. Additionally, the County and the trial court provide a single benefit package to eligible employees. The Court’s share of the Mono MP is estimated at approximately five to six percent.

Section 20814(c) of the California Public Employees’ Retirement law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year (normal cost), with an additional annual amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning with Fiscal Year 2017-18, CalPERS began assessing the County MP employer contributions toward the plan’s unfunded liability in dollar amounts instead of through a contribution rate. This change is intended to address potential funding issues that could arise from a declining payroll or reduction in the number of active members in the plan. In such instances, financing the unfunded liability

as a percentage of payroll could lead to the underfunding of the plans. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability payment, the plan's normal cost contribution will continue to be assessed as a percentage of payroll. The County SP separated normal cost contributions which continue to be paid as a percentage of payroll from the plan's unfunded liability beginning with Fiscal Year 2015-16.

Below is a summary of the Plan's provisions, benefits, and contribution amounts/rates in effect for Fiscal Year 2017-18, which is determined from the CalPERS June 30, 2015 actuarial valuation.

Employee Class	Miscellaneous Plan		
	Classic Tier 1	Classic Tier 2	PEPRA
Benefit Formula	2.7% @ 55	2.5% @ 55	2% @ 62
Benefit Vesting	5 years of service	5 years of service	5 years of service
Final Average Compensation Period	12 months	12 months	36 months
Retirement Eligibility Age	50-55	50-55	52-67
Employee contribution as a percentage of payroll	8.000%	8.000%	6.250%
Employer contribution as a percentage of payroll	10.445%	10.445%	10.445%
Unfunded Accrued Liability Annual Payment ⁽¹⁾	\$2,047,977	--	--
Status	Closed	Closed	Open

⁽¹⁾ Includes \$120,314, or 5.87%, allocable to the Mono County Superior Court, an entity legally separate from the County of Mono.

Source: Mono County Department of Finance.

Employee Class	Safety Plan - Sheriff		
	Classic Tier 1	Classic Tier 2	PEPRA
Benefit Formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit Vesting	5 years of service	5 years of service	5 years of service
Final Average Compensation Period	12 months	12 months	36 months
Retirement Eligibility Age	50	55	57
Employee contribution as a percentage of payroll	9.000%	9.000%	11.500%
Employer contribution as a percentage of payroll	19.723%	16.842%	11.990%
Unfunded Accrued Liability Annual Payment	\$394,463	--	\$98
Status	Closed	Closed	Open

Source: Mono County Department of Finance.

Employee Class	Safety Plan – Peace Officer		
	Classic	Classic	PEPRA

	Tier 1	Tier 2	
Benefit Formula	3% @ 50	3% @ 50	2.7% @ 57
Benefit Vesting	5 years of service	5 years of service	5 years of service
Final Average Compensation Period	12 months	12 months	36 months
Retirement Eligibility Age	50	50	57
Employee contribution as a percentage of payroll	9.000%	9.000%	11.500%
Employer contribution as a percentage of payroll	19.723%	19.723%	11.990%
Unfunded Accrued Liability Annual Payment	\$286,344	--	\$560
Status	Closed	Closed	Open

Source: Mono County Department of Finance.

	Safety Plan - EMS		
Employee Class	Classic Tier 1	Classic Tier 2	PEPRA
Benefit Formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit Vesting	5 years of service	5 years of service	5 years of service
Final Average Compensation Period	12 months	12 months	36 months
Retirement Eligibility Age	50	50	57
Employee contribution as a percentage of payroll	9.000%	9.000%	11.500%
Employer contribution as a percentage of payroll	19.723%	15.928%	11.990%
Unfunded Accrued Liability Payment	\$171,121	\$2,578	\$166
Status	Closed	Closed	Open

Source: Mono County Department of Finance.

Employees Covered

Listed below are the number of employees covered by the County MP. Census information providing the number of employees covered by the County SP is not available.

Inactive Employees or beneficiaries currently receiving benefits	314
Inactive employees entitled to but not yet receiving benefits (Transferred + Terminated)	213
Active employees	188
Total	<u>715</u>

Annual Pension Cost

For Fiscal Year 2017-18, the County's required and actual contribution was \$4,782,691. The table below sets forth the annual pension costs to the County for the past six years.

Table 12
Mono County
Annual CalPERS Costs

Fiscal Year Ending June 30	Annual Actual Employer Contribution⁽¹⁾	Percentage of Employer Contribution
2013	\$4,007,305	100%
2014	4,081,861	100
2015	3,645,383	100
2016	3,289,818	100
2017	4,218,785	100
2018	4,782,691	100

⁽¹⁾ Includes actual contributions paid or accrued to CalPERS for the Mono [SP] and the Mono [MP], excluding court employees

Source: Mono County Department of Finance, Mono County CAFRs 2013-2017

Actuarial Cost Method

The required contribution for Fiscal Year 2017-18 was determined as part of the June 30, 2015 actuarial valuation using the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits and for members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

Amortization of Unfunded Actuarial Accrued Liability

The excess of the total actuarial accrued liability over the market value of plan assets is called the unfunded actuarial accrued liability (the “UAAL”). Each year’s funding requirements are determined by combining the normal cost and an amortization payment toward the unfunded liability. Commencing with the June 30, 2013 valuation, all new gains or losses are tracked and amortized over a fixed 30-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than Golden Handshakes (as hereinafter defined)) are amortized over a 20-year period with no ramp. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of 5 years. As used above, a Golden Handshake is the practice of offering an employee up to two years of unearned credit for retirement in exchange for taking an early retirement, as authorized under California law.

Asset Valuation Method

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the employer contribution for Fiscal Year 2015-16, CalPERS employs a policy that amortizes all gains

and losses over a fixed 30-year period. The increase or decrease in the rate is then spread directly over a 5-year period. This method is referred to as “direct rate smoothing.” CalPERS no longer uses an actuarial value of assets and only uses the market value of assets. The direct rate smoothing method is equivalent to a method using a 5-year asset smoothing period with no actuarial value of asset corridor and a 25-year amortization period for gains and losses.

Employer Contribution History

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The table below provides a recent history of the required employer contributions for the plans, as determined by the annual actuarial valuation.

**Table 13
Mono County
Employer Contributions - Pension Plans**

Fiscal Year Ended June 30	Miscellaneous Plan⁽¹⁾				Safety Plan⁽²⁾			
	Employer Normal Cost Rate	Employer Unfunded Rate	Employer Unfunded Liability Payment ⁽³⁾	Total Employer Contribution Rate	Employer Normal Cost Rate	Employer Unfunded Rate	Employer Unfunded Liability Payment ⁽³⁾	Total Employer Contribution Rate
2015	11.205%	10.252%	N/A	21.457%	17.453%	10.645%	N/A	28.098%
2016	10.983	11.559	N/A	22.542	18.524	7.601	\$1,088,022	26.125
2017	10.942	12.918	N/A	23.860	19.536	10.133	855,330	29.669
2018	10.445	17.078	\$2,047,977	27.523	19.723	13.000	690,285	32.723
2019	10.732	18.168	2,355,936	28.900	20.556	19.855	575,693	40.411

⁽¹⁾ Includes balances allocable to Superior Court employees

⁽²⁾ Contribution rates shown are derived from the Mono County Safety Plan for Tier 1 members. Employer unfunded liability payment amounts are for all safety tier members combined.

⁽³⁾ Beginning with Fiscal Year 2017-18, for the County MP and with Fiscal Year 2015-16 for the County SP, CalPERS collects employer contributions toward the plan’s unfunded liability as dollar amounts instead of the prior method of a contribution rate. This change addresses potential funding issues that could arise from a declining payroll or reduction in the number of active members in the plan. Financing the unfunded liability as a percentage of payroll could lead to further underfunding of the plans. Although employers are invoiced at the beginning of the fiscal year for their unfunded liability payment, the plan’s normal cost contribution will continue to be collected as a percentage of payroll. Employer unfunded rate for Fiscal Year 2017-18 and 2018-19 is calculated based on actuarial projected payroll amounts.

Source: CalPERS Annual Valuation reports for Mono County Miscellaneous and Safety Plans.

See also Note 7 to the Comprehensive Annual Financial Report included in APPENDIX B hereto.

Funded Status and Funding Progress

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The table below shows a 6-year analysis of the funded status for the County MP, including the market value of assets, the funded ratio, and the annual covered payroll as of June 30.

Valuation Date	Entry Age Normal Accrued Liability	Market Value of Assets	Unfunded/ (Overfunded) Liability	Present Value of Projected Benefits	Covered Payroll	Funded Ratio
06/30/11	\$ 80,864,947	\$ 56,723,555	\$ 24,141,392	\$ 100,194,289	\$ 13,860,315	70.1%
06/30/12	84,619,424	56,344,041	28,275,383	102,264,946	14,229,381	66.6
06/30/13	89,125,001	62,641,110	26,483,891	106,664,019	14,184,594	70.3
06/30/14	97,022,458	72,882,577	24,139,881	114,196,632	13,999,958	75.1
06/30/15	101,050,599	72,925,413	28,125,186	116,513,502	13,103,589	72.2
06/30/16	104,580,850	71,568,268	33,012,582	119,975,069	12,938,764	68.4
06/30/17	110,900,360	77,878,484	33,021,876	128,561,836	13,883,958	70.2

Source: PERS Actuarial Reports.

Similar information for the County SP is no longer available because the County SP is included in among CalPERS pooled-basis plans. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709, or www.calpers.ca.gov.

Actuarial Methods and Assumptions

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014, the CalPERS Board of Administration (the “CalPERS Board”) adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that at the time of adoption supports a discount rate assumption of 7.5 percent. The CalPERS Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies seen in CalPERS membership and expected continued improvements. The new actuarial assumptions were first used in the June 30, 2014 valuation to set the Fiscal Year 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions is amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with CalPERS Board policy.

In 2012, PERS lowered the discount rate from 7.75 percent to 7.5 percent, which resulted in additional contribution increases to employers. On December 21, 2016, the CalPERS Board of Administration voted to further lower the discount rate from 7.5 percent to 7.0 percent, phased incrementally over the following three years to give employers more time to prepare for the changes in contribution costs. The discount rate was lowered to better match current investment earnings results and ensure the long-term sustainability of the pension fund.

The projected future employer contribution rates for the County are as follows. Projected future employer contribution rates are shown based on the 2018 CalPERS Annual Valuation Report with valuation date as of June 30, 2017.

<u>Fiscal Year Ended June 30</u>	<u>Safety Plan Employer Normal Cost Rate⁽¹⁾</u>	<u>Safety Plan Employer Unfunded Actuarial Liability</u>	<u>Miscellaneous Plan Employer Normal Cost Rate</u>	<u>Miscellaneous Plan Employer Unfunded Actuarial Liability</u>
2019	20.556%	\$1,088,022	10.732%	\$ 2,355,936
2020	21.927	1,345,373	11.200	2,711,000
2021	23.300	1,531,400	12.200	2,969,000

(1) Rate shown applicable to County SP tier 1 members
Source: CalPERS Actuarial Report as of June 30, 2016 and 2017.

Other Post-Employment Benefits (“OPEB”)

Plan Description

The County administers a postemployment healthcare plan, a single-employer defined benefit post employment healthcare plan. The County established a post employment health benefit (OPEB) trust with the Public Agency Retirement Services (PARS) which is used to accumulate resources to fund future benefits, however it does not represent the activities of the plan. The Plan provides medical, dental and vision insurance benefits to eligible retirees.

The County provides post-retirement health care benefits, in accordance with County employment contracts, to all employees who retire, on a tiered basis. Employees hired prior to January 1, 2002, who have attained the age of 55 and have accrued a minimum of 20 years of service, are entitled to post-retirement health care benefits. (In this category, age and time are tiered between age 50 and 55 with between 5 and 20 years of service depending upon the date of hire). Employees hired after January 1, 2002, are not eligible for post-retirement health care benefits. Instead, employees hired after this date are eligible to receive County contributions into an Internal Revenue Code Section 401(a) Plan established by the County. Currently, 175 retirees and 26 employees, not yet retired, meet the eligibility requirements for the pre-2002 hire health care retirement benefits. This is a closed group with no new members added or eligible. The County has a two-part system for acknowledging this liability. 1) The County budgets for the full 3% match of employee salaries to match the 3% maximum County obligation under the 401(a) plan. The excess not paid to participating employees remains in the retirement trust fund to pay on-going retiree costs. 2) The County budgets for the annual required contribution with payments first going to fund current retiree costs and the remainder in trust to fund future retiree costs.

Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the County. The contribution is based on the difference between what the County paid directly to or on behalf of eligible employees and the full value of the annual required contributions (ARC). For Fiscal Year 2016-17, the County contributed \$3,108,215, or 145% of the Annual OPEB cost, to the Post Employment Benefit Plan.

The annual required contribution (“ARC”) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension. The County’s ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The Fiscal Year 2016-17 ARC is \$2,064,918. More recent

information is not available in a comparable format because of the change in accounting reporting requirements mandated by GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The following are the components of the County's annual OPEB cost for the Fiscal Year ended June 30, 2017:

Annual Required Contribution (ARC)	\$ 2,064,918
Interest on net OPEB obligation actuarial estimate	(276,769)
Amortization of net OPEB obligation actuarial estimate	353,680
Annual OPEB cost (expense)	2,141,829
Contributions made	(3,108,215)
Increase (decrease) in net OPEB obligation	(966,386)
Net OPEB asset, beginning of year	(4,428,309)
Net OPEB asset, end of year	(5,394,695)

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan (as described in the funding policy above), and the net OPEB asset for Fiscal Year 2016-17 and the prior two fiscal years is set forth in the following table.

**Table 14
Mono County
Annual OPEB Cost**

<u>Fiscal Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
2015	\$ 1,501,197	172%	\$ 3,311,944
2016	1,553,266	172	4,776,826
2017	2,141,829	145	5,394,695

Source: Mono County 2017 CAFR.

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2016, the plan's most recent actuarial valuation date, and as of June 30, 2017 using a valuation prepared for purposes of implementing the provision of GASB Statement 75, was as follows (amounts in thousands):

	<u>January 1, 2016 Actuarial Valuation⁽¹⁾</u>	<u>June 30, 2017 GASB 75 Disclosure Report⁽²⁾</u>
Actuarial accrued liability (AAL)	\$ 33,863,468	\$34,382,436
Actuarial value of plan assets	14,369,915	17,480,128
Unfunded actuarial accrued liability (UAAL)	19,493,553	16,902,308
Funded ratio (actuarial value of plan assets/AAL)	42.43%	50.8%
Covered payroll (active Plan members)	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A

⁽¹⁾ Mono County OPEB valuation, as of January 1, 2016

⁽²⁾ Mono County Actuarial Valuation of OPEB under GASB 74/75. The County Department of Finance received this report, dated August 21, 2018, for the sole purpose of determining the disclosures required by GASB Statement 75. This information will be used to prepare certain disclosures about the plan in the County's Fiscal Year 2017-18 CAFR.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.25% investment rate of return, an inflation rate of 2.5% per year, and assumed medical inflation of 8% graded down to 6% over 9 years. The OPEB plan's unfunded actuarial liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at June 30, 2017, was 21 years.

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Table 15
Retiree Healthcare Plan
Schedule of Funding Progress
(dollars in thousands)

Valuation Date (Jan. 1)	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Actuarial Funded Ratio	Annual Covered Payroll
2010	\$ 27,643	\$ 3,567	\$24,076	12.9%	N/A
2012	26,703	7,315	19,388	27.4	N/A
2014	25,895	11,908	13,987	46.0	N/A
2016	33,863	14,370	19,493	42.4	N/A

Source: Mono County 2017 CAFR, Required Supplementary Information.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement No. 75 are effective for the County's fiscal years ended June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The County has not determined the effect, if any, on the financial statements.

Statement of Direct and Overlapping Debt

Contained within the County are numerous overlapping local agencies providing public services. These local agencies have outstanding debt issued in the form of general obligation, lease revenue and special assessment bonds and other obligations. Set forth below is a statement of direct and overlapping debt as of October 1, 2018 (the "Debt Statement") prepared by California Municipal Statistics, Inc. The Debt Statement is included for general information purposes only. The County has not reviewed the Debt Statement for completeness or accuracy and makes no representations in connection therewith.

The Debt Statement generally includes long term obligations sold in the public credit markets by public agencies other than the County whose boundaries overlap the boundaries of the County in whole or in part. Such long-term obligations generally are not payable from revenues of the County (except as indicated) nor are they necessarily obligations secured by land within the County. In many cases long term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations, if any, are excluded from the debt statement.

Table 16
Mono County
Direct and Overlapping Debt (As of October 1, 2018)

2018-19 Assessed Valuation: \$6,143,783,369 (Includes unitary utility)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u> ⁽¹⁾	<u>Debt</u>
Kern Community College School Facilities Improvement District – Mammoth Campus	100%	\$4,844,392
Eastern Sierra Unified School District	100	11,274,503
Mammoth Unified School District	100	5,764,061
Round Valley School District	34.751	307,199
Southern Mono Hospital District	100	14,769,555
Town of Mammoth Lakes Community Facilities District No. 2001-1	100	6,053,012
City and Special District 1915 Act Bonds	100	1,192,387
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$44,205,109
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Mono County Pension Obligation Bonds	100%	\$ 696,600
Kern Community College District Certificates of Participation	5.107	1,537,973
Kern Community College District Benefit Obligations	5.107	3,973,757
Town of Mammoth Lakes Certificates of Participation	100	3,061,000
Town of Mammoth Lakes Judgment Obligation Bonds	100	<u>22,985,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$32,254,330
 COMBINED TOTAL DEBT		\$76,459,439⁽²⁾

Ratios to 2018-19 Assessed Valuation:

Direct Debt (\$696,600)

Total Direct and Overlapping Tax and Assessment Debt
 Combined Total Debt

KD:(\$500)

(1) 2017-18 ratios.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Labor Relations

There are five formal labor units, listed in Table 17 below, representing County employees. Supervisors, management, confidential employees, certain attorneys and certain other employees are not represented by an exclusive bargaining agent. Salaries and benefits are determined through a process of “meet and confer” with representatives from each of these classifications. All employees’ salaries are subject to periodic renegotiation.

Table 17
Mono County
Labor Relations

<u>Bargaining Unit</u>	<u>Labor Organization</u>	<u>Number of Employees⁽¹⁾</u>	<u>Contract Expiration</u>
MCDSA	Deputy Sheriffs' Association	18	12/31/2021
MCPSO	Public Safety Officers' Association	13	12/31/2022
MCPRA	Paramedic Rescue Association	23	6/30/2018 ⁽²⁾
MCDPOA	Deputy Probation Officers Association	8	6/30/2019
MCPE	Mono County Public Employees	177	12/31/2018 ⁽³⁾

⁽¹⁾ Full time equivalents are based on filled positions, calendar year 2018.

⁽²⁾ Currently in negotiations.

⁽³⁾ Negotiations anticipated to begin in November 2018.

Source: Mono County.

The County is nearing the end of a year-long process of conducting a salary survey that includes quantifying the comparable wage amounts, after adjustment for cost-of-living factors, affecting members of the Mono County Public Employees group, which expects to commence bargaining negotiations in November 2018, and the unrepresented at-will employees. In anticipation of potential wage increases resulting from ultimate adoption of the salary survey results, the County's Fiscal Year 2018-19 adopted budget included a five percent increase to all affected wages.

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Certificates. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Certificates. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

Rental Payments Not County Debt

The obligation of the County to make the Rental Payments, including the Base Rental Payments, does not constitute a debt of the County or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State is obligated to levy or pledge any form of taxation or for which the County or the State has levied or pledged any form of taxation.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the County, the County is obligated under the Lease Agreement to pay the Rental Payments from any source of legally available funds and the County has covenanted in the Lease Agreement that it will take such action as may be necessary to include all Rental Payments in its annual budgets and to make necessary annual appropriations therefor. The County is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Rental Payments.

The County has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the County, the funds available to make Rental Payments may be decreased. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other activities before making Rental Payments and other payments due under the Lease Agreement.

No Liability of Corporation to the Owners

Except as expressly provided in the Trust Agreement, the Corporation will not have any obligation or liability to the Owners of the Certificates with respect to the payment when due of the Rental Payments by the County, or with respect to the performance by the County of other agreements and covenants required to be performed by it contained in the Lease Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

Abatement

In the event of substantial interference with the County's right to use and occupy any portion of the Project by reason of material damage to, or destruction or condemnation of, the Project, or any defect in title to the Project, Rental Payments will be subject to abatement. See "SECURITY AND SOURCES OF PAYMENT – *Abatement*." In the event that such portion of the Project, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments, plus the period for which funds are available from the funds and accounts established under the Trust Agreement, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient or unavailable to provide for complete repair or replacement of such portion of the Project or prepayment of the Certificates, there could be insufficient funds to make payments to Owners in full.

Natural Disasters and Seismic Considerations

The County, like all California communities, may be subject to unpredictable seismic activity, wildfires, flood, or other natural disasters. Seismic activity, wildfires, floods and other natural disasters represents a potential risk for damage to buildings, roads, bridges and other property within the County.

The areas at and surrounding the Project, like those in much of California, may be subject to unpredictable seismic activity. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. Generally, within the State, some level of seismic activity occurs on a regular basis. During the past 150 years, California has experienced several major and numerous minor earthquakes.

Absence of Earthquake and Flood Insurance

The County is not required by the Lease Agreement to maintain earthquake or flood coverage with respect to the Project however, the County currently has coverage and expects to maintain such coverage.

Limited Recourse on Default

If the County defaults on its obligations to make Rental Payments, the Trustee, as assignee of the Corporation, may (subject to the restrictions described below) retain the Lease Agreement and hold the County liable for all Rental Payments on an annual basis and will have the right to re-enter and re-let the Project. In the event such re-letting occurs, the County would be liable for any resulting deficiency in Rental Payments. Alternatively, the Trustee may terminate the Lease Agreement with respect to the Project and proceed against the County to recover damages pursuant to the Lease Agreement.

Due to the specialized nature of the Project, no assurance can be given that the Trustee will be able to re-let any portion of the Project so as to provide rental income sufficient to make payments of

principal and interest evidenced by the Certificates in a timely manner, and the Trustee is not empowered to sell the Project for the benefit of the Owners of the Certificates. In addition, due to the governmental function of the Project, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect thereto. Any suit for money damages would be subject to limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Moreover, there can be no assurance that such re-letting will not adversely affect the exclusion of any interest component of Base Rental Payments from federal or state income taxation. The Trustee is not empowered to sell the Project and use the proceeds of such sale to prepay the Certificates or pay debt service thereon.

No Acceleration Upon Default

In the event of a default, there is no available remedy of acceleration of the Rental Payments due over the term of the Lease Agreement. The County will only be liable for Rental Payments on an annual basis, and the Trustee would be required to seek a separate judgment in each fiscal year for that fiscal year's Rental Payments.

Limitations on Remedies

The rights of the Owners of the Certificates are subject to the limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the Owners of the Certificates, and the obligations incurred by the County, may become subject to the federal bankruptcy code (Title 11, United States Code) (the "Bankruptcy Code") and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the U.S. Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings, or the exercise of powers by the Federal or State government, if initiated, could subject the Owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Bankruptcy

In addition to the limitations on remedies contained in the Trust Agreement and the Lease Agreement, the rights and remedies in the Lease Agreement may be limited by and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights.

Under Chapter 9 of the Bankruptcy Code, which governs bankruptcy proceedings of public entities such as the County, no involuntary bankruptcy petition may be filed against a public entity. However, upon satisfaction of certain prerequisite conditions, a voluntary bankruptcy petition may be filed by the County. The filing of a bankruptcy petition results in a stay against enforcement of remedies under agreements to which the bankrupt entity is a party. A bankruptcy filing by the County could thus limit remedies under the Lease Agreement. A bankruptcy debtor may choose to assume or reject executory contracts and leases, such as the Lease Agreement. In the event of rejection of a lease by a debtor lessee, the leased property is returned to the lessor and the lessor has a claim for a limited amount of the resulting damages.

Under the Trust Agreement, the Trustee holds Base Rental Payments for the benefit of the Owners of the Certificates, but Trustee's interest arises only when the Base Rental Payments are actually received by the Trustee following payment by the County. The Project itself is not subject to any security interest, mortgage or any other lien in favor of the Trustee for the benefit of Owners. In the event of a County bankruptcy and a subsequent rejection of the Lease Agreement by the County, the Trustee, as assignee of the Corporation, would have a claim for damages against the County. The Trustee's claim would constitute a secured claim only to the extent of Base Rental Payments in the possession of the Trustee; the balance of such claim would be unsecured.

Bankruptcy proceedings would subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently entail risks of delay, limitation, or modification of their rights with respect to the Certificates. In a bankruptcy case, the amount recovered by Owners could be affected by whether the Lease Agreement is determined to be a "true lease" or a loan or other financing arrangement (a "financing lease"), and Owners' recovery could be reduced in either case. If the Lease Agreement is determined by the bankruptcy court to constitute a "true lease" (rather than a financing lease), the County could choose not to perform under the Lease Agreement by rejecting it and the claim of the Owners could be substantially limited pursuant to Section 365 of the Bankruptcy Code to a fraction of the scheduled amount of Base Rental Payments, and that reduced claim amount could be impaired as an unsecured claim under a plan of adjustment. If a bankruptcy court were to treat the Lease Agreement as a financing lease then, under a plan of adjustment, the priority, payment terms, collateral, payment dates, payment sources, covenants and other terms or provisions of the Lease Agreement and the Certificates may be altered. Such a plan could be confirmed even over the objections of the Trustee and the Owners, and without their consent. For example, the amount of the Base Rental Payments from the County might be substantially reduced because of the power of the bankruptcy court under the Bankruptcy Code to adjust secured claims to the value of their collateral, which, as described above, could be limited to the Base Rental Payments held by the Trustee. In addition there can be a substantial disparity in treatment based on the nature of the Project. Whether the Lease Agreement is characterized by the bankruptcy court as a true lease or a financing lease, either scenario could result in the Owners not receiving the full amount of the principal and interest components of Base Rental Payments.

In a bankruptcy of the County, if a material unpaid liability is owed to the CalPERS or any other pension system (collectively the "Pension Systems") on the filing date, or accrues thereafter, such circumstances could create additional uncertainty as to the County's ability to make Base Rental Payments or other Rental Payments if the Lease Agreement is rejected. Given that municipal pension systems in California are usually administered pursuant to state constitutional provisions and, as applicable, other state and/or municipal law, the Pension Systems may take the position, among other possible arguments, that their claims enjoy a higher priority than all other claims, that Pension Systems have the right to enforce payment by injunction or other proceedings outside of a County bankruptcy case, and that Pension System claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional and/or municipal law. It is uncertain how a bankruptcy judge in a County bankruptcy would rule on these matters.

Substitution or Release of Property

The Lease Agreement provides that, upon satisfaction of certain conditions specified therein, the County may release from the Lease Agreement any portion of the Project or substitute alternate real property for all or any portion of the Project. Although the Lease Agreement requires (except as provided under the caption "THE PROJECT") that the Project, as constituted after such substitution or release, among other things (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of the Base Rental Payments coming due in the then current Rental Period or any subsequent

Rental Period, and (ii) has a fair replacement value at least equal to the aggregate amount of principal evidenced by the Certificates then Outstanding, the Lease Agreement does not require that such property have an annual fair rental value equal to 100% of the annual fair rental value of the property comprising the Project at the time of substitution or release. Thus, a portion of the real property comprising the Project could be replaced with less valuable property, or could be released altogether. Such a replacement or release could have an adverse impact on the security for the Certificates, particularly if an event requiring abatement of Rental Payments were to occur subsequent to such substitution or release. See “THE PROJECT” and APPENDIX C – “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS –LEASE AGREEMENT – *Substitution or Release of the Project.*” Notwithstanding any such substitution or release, there will be no reduction in or abatement of the Rental Payments due from the County under the Lease Agreement solely as a result of such substitution or release.

No Limitation on Incurring Additional Obligations

Neither the Lease Agreement nor the Trust Agreement contains any limitations on the ability of the County to enter into other obligations that may constitute additional claims against its General Fund revenues. To the extent that the County incurs additional obligations, the funds available to make Base Rental Payments may be decreased. The County is currently liable on other obligations payable from General Fund revenues. See “COUNTY FINANCIAL INFORMATION – *Outstanding Long-Term Debt*” above.

Cash Management

To the extent the Board makes needed budget adjustments and maintains a balanced budget, the County has numerous internal or external means to manage its cash flow, including but not limited to interfund borrowing, intrafund borrowing and tax and revenue anticipation notes. If the County does not take required actions and the budget is out of balance, the cash requirements of the County may exceed available cash flow. The ability of the County to borrow on an interim basis to meet any cash shortfalls also may be limited if the budget remains out of balance for a sustained period of time. The County has the legal authority to issue “warrants” in place of cash to meet various types of expenditures or appropriations as an additional means to manage its cash flow. See “COUNTY FINANCIAL INFORMATION.”

Limitation on Revenues

The County receives a significant portion of its annual funding from subventions by the State. As a result, decreases in the revenues received by the State can affect subventions made by the State to the County and other counties in the State. The potential impact of State budget actions for future fiscal years on the County in particular, and other counties in the State generally, is uncertain at this time. See “COUNTY FINANCIAL INFORMATION – *State Funding of Counties.*”

There are limitations on the ability of the County to increase revenues. The ability of the County to increase the ad valorem property taxes (which have historically been an important source of revenues for counties in California) is limited pursuant to Article XIII A of the State Constitution, which was enacted in 1978. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – *Article XIII A of the California Constitution.*”

Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance (the “DOF”), <http://www.dof.ca.gov>, under the heading “California Budget.” An impartial analysis of the budget is posted by the Legislative Analyst’s Office (the “LAO”) at <http://www.lao.ca.gov>. In addition,

various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on counties in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriter, and neither the County nor the Underwriter takes any responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The County also receives a significant portion of its revenue from federal sources. Actions taken by Congress and federal executive branch agencies including, without limitation, reductions in federal spending, could materially reduce the revenues received by the County.

Changes in Law

There can be no assurance that the State Legislature will not at some future time enact legislation that will amend or create laws resulting in a reduction of moneys available to pay the Rental Payments. Similarly, the California electorate could adopt initiatives or the State Legislature could adopt legislation with the approval of the electorate amending the State Constitution which could have the effect of reducing moneys available to pay the Rental Payments.

Climate Change

The change in the earth's average atmospheric temperature, generally referred to as "climate change", is expected to, among other things, increase the frequency and severity of extreme weather events and cause substantial flooding. The County cannot predict the timing, extent, or severity of climate change and its impact on the County's operations and finances, but such impact could be material and adverse.

Cybersecurity

The County relies on a large and complex technology environment to conduct its operations. The County and its departments face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. No assurances can be given that the County's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County's computer and information technology systems could impact its operations and damage the County's digital networks and systems, and the costs and/or impacts on operation resulting therefrom could be materials.

Drought

The State of California recently experienced several consecutive years of below-average rain and snow, causing severe drought conditions in all 58 counties. On January 17, 2014, Governor Brown proclaimed a state of emergency due to the severe drought conditions faced by the State. On March 27, 2015, Governor Brown signed emergency legislation that mandated reductions in residential use and expedited \$1 billion for drought and water infrastructure projects, including emergency food aid, drinking water, water recycling, conservation awareness, and flood protection. Water year 2017 has seen above-average precipitation and snowpack, and on April 7, 2017, Governor Brown issued Executive Order B-40-17, officially ending the drought state of emergency in all California counties except Fresno, Kings, Tulare, and Tuolumne.

Hydrology in the western United States and the quantity of groundwater supplies are subject to cyclical changes, changes in climate and rainfall and levels of use. The County can make no assurances as to the reliability or adequacy of future supplies to meet future demands. Groundwater aquifers, upon which much of the County's agriculture depends, recover much more slowly than surface water and are limited by how much and how fast water can recharge. Unlike surface water, which can recover during a few days of heavy precipitation, groundwater aquifer recovery often takes years or decades. Excessive, long-term groundwater over-use resulting in groundwater depletion can cause subsidence and permanent loss of groundwater storage as well as water quality degradation and seawater intrusion. These long-term impacts on groundwater have not been remedied by the recent weather.

Minimal Available Land Owned in the County

The County comprises 3,103 square miles of land space, with approximately 2,900 square miles, or 93.4 percent, owned by public entities, which include the federal government (Inyo National Forest, Toiyabe National Forest, Bureau of Land Management), the State of California, local government, and the City of Los Angeles (Department of Water and Power).

Payments in Lieu of Taxes (PILT)

Federal and state agencies hold ownership title to a substantial portion of real property within Mono County and are not obligated to pay property taxes as required for private ownership, resulting in a loss of revenue to the County's taxing jurisdictions. As of 2017, the Federal Government retained ownership of 2,677.6 square miles, or 85.5%, and the State of California had ownership of 117.5 square miles, or 3.75%.

In lieu of the payment of property taxes, the Federal government is obligated by law (Public Law 97-258) to make payments to local governments that help offset losses in property taxes due to non-taxable Federal lands within the County's boundaries. While payment is mandated by law, the County is dependent upon Congress to appropriate funding each fiscal year to satisfy payment of this obligation. The County's most recent Federal related PILT receipt was \$1,318,592, received on July 2, 2018.

Similarly, the State of California has a PILT program established to offset the adverse impacts to County property tax revenues that result when the state holds ownership of real property. Unlike the Federal program, payment to counties by the State is permissive and payment has been suspended a number of times in past years when the state was struggling with budget deficits. The County's most recent state related PILT receipt was \$15,756, received on November 16, 2017.

Tourism

Tourism is a major economic sector in County and represents an important revenue stream. Approximately 38.5 percent of all employment is directly associated with this industry. Economic conditions both in the U.S. and abroad influence these revenues. If economic conditions in the State or United States diminish, it is highly likely that the tourist industry would be adversely affected, thereby having an adverse impact on County finances.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the California Constitution

On June 6, 1978, California voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). Article XIII A, as amended, limits the amount of any ad valorem tax on real property to one percent of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-third of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the California Constitution

On November 6, 1979, California voters approved Proposition 4, which added Article XIII B to the California Constitution. In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Article XIII B of the California Constitution limits the annual appropriations

of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The “base year” for establishing such appropriation limit is the 1978-79 fiscal year. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity, or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amount permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

As amended in June 1990, the appropriations limit for the County in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the County’s option, either (i) the percentage change in California per capita personal income, or (ii) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth, and change in attendance at local school and community college (“K-14”) districts.

As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by the County over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

The Board adopted the annual appropriation limit for Fiscal Year 2017-18 of \$652,012,213. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs. Based on the 2017-18 Adopted Budget, the funds subject to limitation total \$211,769,126 (total General Operating Budget minus non-proceeds of taxes and debt service) and are \$440,243,087 below the Article XIII B limit.

Proposition 1A

Proposition 1A (2004), proposed by the State Legislature in connection with the 2004-05 Budget Act and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A (2004) generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. Proposition 1A (2004) provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A (2004) also provides that if the State reduces the Vehicle License Fee (“VLF”) rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A (2004) requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986 general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the County be approved by a two-thirds vote of the governmental entity’s legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local government entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

On September 28, 1995, the California Supreme Court, in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220 (1995) (the “Santa Clara Case”), upheld the constitutionality of the portion of Proposition 62 requiring a two-thirds vote in order for a local government or district to impose a special tax, and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. The decision in the Santa Clara Case did not address the question of whether it should be applied retroactively. On June 4, 2001, the California Supreme Court released *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* (“La Habra”). In this decision, the court held that a public agency’s continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought. The portion of the County’s taxes subject to Proposition 62, including

the County's transient occupancy tax, is in compliance with Proposition 62 requirements. The County is of the opinion that Proposition 62 will not materially impact any existing or future taxes, fees and assessments collected by the County. No revenues collected by the County have been challenged under Proposition 62.

Right to Vote on Taxes Initiative – Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the California Constitution, which contain a number of provisions affecting the ability of the County to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the Board to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure requirements. In addition, Article XIID contains new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property. This definition applies to landscape and maintenance assessments for open space areas, street medians, street lights and parks.

Article XIID also contains several new provisions affecting "fees" and "charges," defined for purposes of Article XIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The County must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the County may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services, or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

In addition to the provisions described above, Article XIIC removes many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge. No assurance can be given that the voters of the County will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's General Fund. "Assessment," "fee" and "charge" are not defined in Article XIIC, and it is not clear whether the definitions of these terms in Article XIID (which are generally property related as described above) would be applied to Article XIIC. If the Article XIID definitions are not held to apply to Article XIIC, the initiative power could potentially apply to revenue

sources which currently constitute a substantial portion of General Fund revenues. No assurance can be given that the voters of the County will not, in the future, approve initiatives which repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

The County has a Solid Waste Division of Public Works, which oversees six Transfer Stations and one Municipal Solid Waste Landfill. These operations are funded primarily through Gate Fees collected at each site, and Parcel Fees that are imposed on all waste-generating parcels within the County. Franchise Fees and sales of recyclable material provide additional revenue. All revenues and related expenditures are run through the Solid Waste Enterprise Fund.

In addition to the Solid Waste Enterprise Fund, the County has several enterprise funds which are self-supporting. These funds are supported by fees, charges for services, and grant revenue. In the event that fees and charges cannot be appropriately increased or are reduced pursuant to the provisions of Proposition 218, the County may have to decide whether to curtail service, support any deficiencies with monies from the General Fund, or both.

The County does not own, operate or maintain any water supply systems or wastewater treatment systems. All of these systems within Mono County are owned, operated and maintained by separate Public Utility Districts, Mutual Water Companies or Water Districts.

In the event that fees and charges cannot be appropriately increased or are reduced pursuant to the provisions of Proposition 218, the County may have to decide whether to support any deficiencies in these enterprise funds with monies from the General Fund or to curtail service, or both. In the case of an operating deficiency within a special district within the County, the County may likewise elect to support any deficiencies with monies from the General Fund or, in the case of special districts operated by the County official as ex officio directors of such district, elect to curtail service, or both. The County is unable to predict whether the courts will interpret any of the County's service charges to be property-related fees or charges under Proposition 218.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26, known as the "Supermajority Vote to Pass New Taxes and Fees Act" ("Proposition 26"). Proposition 26, among other things, amends Article XIII C to the California Constitution principally to define what constitutes a "tax" under the limitations and requirements of that provision. Article XIII C imposes limitations on local governments like the County when imposing certain taxes, including a requirement that the local government submit certain taxes to the electorate for its approval. Before Proposition 26, Article XIII C did not define the term "tax." Proposition 26 broadly defines a tax under Article XIII C to include "any levy, charge, or exaction of any kind imposed by a local government." Proposition 26 lists several exceptions to the definition of "tax," which include (a) a charge for a specific benefit or privilege, which does not exceed the reasonable costs of providing the benefit or privilege, (b) a charge for a government service or product, which does not exceed the reasonable costs of providing the service or product, (c) a charge for the reasonable regulatory costs of issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement thereof, (d) a charge for entrance to or use of local government property, or the purchase, rental, or lease of local government property, (e) a fine, penalty, or other monetary charge imposed as a result of a violation of law, (f) a charge imposed as a condition of property development, and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

It appears that Proposition 26 does not apply retroactively to local government. Thus, even if a fee enacted by the County prior to November 3, 2010 does not fit within any of Proposition 26's

exceptions, it will nonetheless remain valid provided that the legislation authorizing it is not amended so as to extend or increase the fee. The County does not believe that it has enacted, extended or increased any fees since passage of Proposition 26 that would not be exempt from Proposition 26 or that would require voter approval pursuant to Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 62, 22, 26 and 1A were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations which may affect the County's revenues or its ability to expend its revenues.

THE CORPORATION

The Corporation was organized in September 2001, as a nonprofit public benefit corporation pursuant to the Nonprofit Public Corporation Law of the State. The Corporation is a separate legal entity from the County. It is governed by a five-member Board of Directors consisting of the Board of Supervisors of the County. The Corporation has no employees. Except as expressly provided in the Trust Agreement, the Corporation will not have any obligation or liability to the Owners of the Certificates with respect to the payment when due of the Rental Payments by the County, or with respect to the performance by the County of other agreements and covenants required to be performed by it contained in the Lease Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the execution and delivery of the Certificates for the interest component of Base Rental Payments made by the County and received by owners of the Certificates to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest component of Base Rental Payments evidenced by the Certificates to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. Pursuant to the Trust Agreement and the Tax and Nonarbitrage Certificate executed by the County in connection with the execution and delivery of the Certificates (the "Tax Certificate"), the County has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest component of Base Rental Payments evidenced by the Certificates from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the County has made certain representations and certifications in the Tax Certificate. Special Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Special Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the County described above, the interest component of Base Rental Payments evidenced by the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Code. Special Counsel is also of the opinion that such interest component is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. However, it is noted that solely for taxable years beginning before January 1, 2018, the interest component of Base Rental Payments evidenced by the Certificates is included in the adjusted current

earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations under the Code.

In rendering these opinions, Special Counsel has relied upon representations and covenants of the County in the Tax Certificate concerning the property financed with Certificate proceeds, the investment and use of Certificate proceeds and the rebate to the federal government of certain earnings thereon. In addition, Special Counsel has assumed that all such representations are true and correct and that the County will comply with such covenants. Special Counsel has expressed no opinion with respect to the exclusion of the interest component of Base Rental Payments evidenced by the Certificates from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the County fails to comply with such covenants, unless such failure to comply is based on the advice or the opinion of Special Counsel.

Original Issue Discount

Special Counsel is further of the opinion that the excess of the principal amount of any maturity of the Certificates over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Certificates was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Tax-Exempt Discount Certificate” and collectively, the “Tax-Exempt Discount Certificates”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as the interest component of Base Rental Payments evidenced by the Certificates. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Tax-Exempt Discount Certificate and the basis of each Tax-Exempt Discount Certificate acquired at such price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Tax-Exempt Discount Certificates, even though there will not be a corresponding cash payment. Owners of the Tax-Exempt Discount Certificates are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Tax-Exempt Discount Certificates.

Original Issue Premium

Certificates sold at prices in excess of their principal amounts are “Premium Certificates.” An initial purchaser with an initial adjusted basis in a Premium Certificate in excess of its principal amount will have amortizable certificate premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable certificate premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Certificate based on the purchaser’s yield to maturity (or, in the case of Premium Certificates callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Certificate, an initial purchaser who acquires such obligation with an amortizable certificate premium is required to decrease such purchaser’s adjusted basis in such Premium Certificate annually by the amount of amortizable certificate premium for the taxable year. The amortization of certificate premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Certificates. Owners of the Premium Certificates are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Certificates.

Ancillary Federal Tax Matters

Ownership of the Certificates may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Certificates. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid with respect to tax-exempt obligations such as the Certificates is subject to information reporting to the Internal Revenue Service (“IRS”) in a manner similar to interest paid on taxable obligations. In addition, the interest component of Base Rental Payments evidenced by the Certificates may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Special Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as APPENDIX D. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Certificates, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

California Personal Income Taxes

Special Counsel is also of the opinion that the interest component of Base Rental Payments made by the County and received by owners of the Certificates is exempt from State of California personal income taxes under present state law. Special Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Certificates nor as to the taxability of the interest component of Base Rental Payments evidenced by the Certificates under the laws of any jurisdiction other than the State of California.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest component of Base Rental Payments evidenced by the Certificates for federal or state income tax purposes, and thus on the value or marketability of the Certificates. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest component of Base Rental Payments evidenced by the Certificates from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Certificates may occur. Prospective purchasers of the Certificates should consult their own tax advisors regarding the impact of any change in law on the Certificates. Special Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Certificates may affect the tax status of interest on the Certificates. Special Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Certificates, or the interest thereon, if any action is taken with respect to the Certificates or the proceeds thereof upon the advice or approval of other counsel.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

CERTAIN LEGAL MATTERS

Certain legal matters are subject to the approving opinion of Nixon Peabody LLP, Los Angeles, California, Special Counsel to the County. A complete copy of the proposed form of Special Counsel opinion is contained in APPENDIX D. Special Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Copies of this opinion will be available at the time of delivery of the Certificates. Payment of the fees and expenses of Special Counsel is contingent upon the sale and delivery of the Certificates. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. Certain legal matters will be passed upon for the County by Nixon Peabody LLP, Los Angeles, California, as Disclosure Counsel to the County, and for the County and the Corporation by County Counsel.

MUNICIPAL ADVISOR

KNN Public Finance, LLC (the “Municipal Advisor”) is serving as municipal advisor to the County and provides financial recommendation and guidance to the County with respect to the preparation for sale of the Certificates, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Certificates. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement.

RATINGS

S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”), has assigned a rating of “__” to the Certificates. Such rating reflects only the views of such rating agency, and an explanation of the significance of the rating may be obtained by contacting them at: Standard & Poor’s, 55 Water Street, New York, New York 10041. Such rating is not a recommendation to buy, sell or hold the Certificates. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates.

CONTINUING DISCLOSURE

The County has agreed to provide, or cause to be provided, certain annual financial information and operating data and, in a timely manner, notice of certain enumerated events. For a complete listing of items of information which will be provided in the Annual Report, see APPENDIX F – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” Such information is to be provided by the County not later than nine (9) months after the end of the County’s fiscal year (which currently would be April 1), commencing with the report for the [2017-18] Fiscal Year. The Annual Report will be filed by the Trustee, acting as Dissemination Agent, on behalf of the County through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12.

LITIGATION

Absence of Material Litigation Relating to the Certificates

At the time of delivery of and payment for the Certificates, the County will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the best knowledge of the County, threatened against the County (i) which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates, the Lease Agreement, the Ground Lease, the Trust Agreement or the Assignment Agreement, (ii) contesting the validity of the Certificate Purchase Agreement, the Lease Agreement, the Ground Lease, the Trust Agreement or the Continuing Disclosure Agreement, the powers of the County to enter into or perform its obligations under the Certificate Purchase Agreement, the Lease Agreement, the Ground Lease or the Trust Agreement, or the existence or powers of the County, or (iii) which, if determined adversely to the County, would materially impair the County's ability to meet its obligations under the Lease Agreement or materially and adversely affect the County's financial condition.

Other Claims and Litigation

The County has other claims pending against it. The aggregate amount of the uninsured liabilities of the County which may result from such claims will not, in the opinion of the County, materially affect the County's finances or impair its ability to make Rental Payments under the Lease Agreement.

FINANCIAL INTEREST

The fees of Special Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the execution and delivery of the Certificates. From time to time, Nixon Peabody LLP represents Brandis Tallman, LLC on matters unrelated to the Certificates.

UNDERWRITING

The Certificates are to be purchased by Brandis Tallman, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Certificates at a price of \$_____ (reflecting an underwriter's discount of \$_____ from the public offering price shown on the inside cover page of this Official Statement plus net original issue premium of \$_____). The purchase agreement related to the Certificates provides that the Underwriter will purchase all the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the purchase agreement, including the approval of certain legal matters by Special Counsel and certain other conditions. The Certificates may be offered and sold to certain dealers (including dealers depositing said Certificates into investment trusts) and others at prices lower than the initial public offering price, and the public offering price may be changed from time to time by the Underwriter.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the documents are on file and available for inspection at the office of the Trustee at 633 W. Fifth Street, 24th Floor, Los Angeles, California 90071.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or Owners of any of the Certificates.

The execution and delivery of this Official Statement has been duly authorized by the County.

MONO COUNTY, CALIFORNIA

By: _____
Leslie Chapman
County Administrative Officer

APPENDIX A

**GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION
RELATING TO THE COUNTY**

Population

Between 2013 and 2017 the County’s population decreased by approximately 2.5% compared to the State’s growth of 3.4%. The following table details the yearly population growth in the County and the State.

**Table A-1
Mono County Population Trends
Calendar Years 2013 through 2017
(As of January 1)**

<u>Year</u>	<u>Mono County</u>		<u>State of California</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2013	14,059	-	38,238,492	-
2014	13,942	(0.8)%	38,572,211	0.9%
2015	13,851	(0.7)	38,915,880	0.9
2016	13,654	(1.4)	39,189,035	0.7
2017	13,713	0.4	39,523,613	0.9

Source: California Department of Finance, Demographic Research Unit.

Economy

Following is a table which summarizes key economic indicators with respect to the County for the years 2013 through 2017:

**Table A-2
Mono County Key Economic Indicators
Calendar Years 2013 through 2017**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Population	14,059	13,942	13,851	13,654	13,713
Employment	7,660	7,680	7,760	7,940	8,190
Unemployment	710	580	510	450	380
Unemployment rate	8.5%	7.0%	6.1%	5.4%	4.4%

Sources: Data derived from California Department of Finance, Demographic Research Unit (Population); Employment Development Department, Labor Market Information Division (Employment, Unemployment).

Employment

The following table indicates labor patterns for the County, the State and the nation.

Table A-3
Labor Force, Employment And Unemployment
Yearly Average for Years 2013 through 2017

<u>Year, Area</u>	<u>Labor Force</u>	<u>Civilian Employment</u>	<u>Unemployment Rate</u>
<u>2013</u>			
Mono County	8,370	7,660	8.5%
California	18,596,800	16,933,300	8.9
United States	155,389,000	143,929,000	7.4
<u>2014</u>			
Mono County	8,260	7,680	7.0%
California	18,811,400	17,397,100	7.5
United States	155,922,000	146,305,000	6.2
<u>2015</u>			
Mono County	8,260	7,760	6.1%
California	18,981,800	17,798,600	6.2
United States	157,130,000	148,834,000	5.3
<u>2016</u>			
Mono County	8,390	7,940	5.4%
California	19,102,700	18,048,800	5.5
United States	159,187,000	151,436,000	4.9
<u>2017</u>			
Mono County	8,570	8,190	4.4%
California	19,312,000	18,393,100	4.8
United States	160,320,000	153,337,000	4.4

Sources: California State Employment Development Department, Labor Market Information Division; U.S. Department of Labor, Bureau of Labor Statistics.

Per Capita Personal Income

The following table summarizes per capita personal income for the County, the State and the nation for the years 2012 through 2016.

Table A-4
Per Capita Personal Income
For the Years 2012 through 2016

<u>Year, Area</u>	<u>Per Capita Income</u>
<u>2012</u>	
Mono County	\$40,828
California	48,369
United States	44,200
<u>2013</u>	
Mono County	\$42,978
California	48,570
United States	44,462
<u>2014</u>	
Mono County	\$44,808
California	51,344
United States	46,494
<u>2015</u>	
Mono County	\$46,353
California	54,718
United States	48,451
<u>2016⁽¹⁾</u>	
Mono County	\$48,166
California	56,734
United States	49,246

⁽¹⁾ Most recent calendar year data available.

Sources: U.S. Department of Commerce and Bureau of Economic Analysis.

Largest Employers

The following table lists the major employers within the County.

Table A-5
Mono County
Major Employers – 2018

<u>Company</u>	<u>Type of Entity</u>
Annett's Mono Village	Resorts
Coleville High School	Schools
Double Eagle Resort	Restaurants
Eastern Sierra School District	School District

June Mountain Ski Area	Skiing Centers & Resorts
Juniper Springs Resort	Resorts
Mammoth Hospital	Hospitals
Mammoth Lakes Fire Dept	Fire Departments
Mammoth Mountain Inn	Resorts
Mammoth Pacific LP	Geothermal Exploration
Mammoth Ranger District Ctr	Government Offices-Us
Mammoth Reservations Inc	Vacation Rentals
Mammoth Resorts	Resorts
Mammoth Snowmobile Adventures	Snowmobile-Renting & Leasing
Mammoth Unified School Dist	School Districts
Mono County Office of Edu	Schools
Mono County	Government Offices-County
Mountainside Grill	Restaurants
Sheriff Office	Sheriff
Sierra Nevada Lodge	Resorts
Tamarack Lodge & Resort	Resorts
Village Lodge Mammoth	Hotels & Motels
Vons	Grocers-Retail
Westin Monache Resort Mammoth	Hotels & Motels

Sources: America's Labor Market Information System (ALMIS) Employer Database, 2017 2nd Edition;
Employer information provided by Infogroup, Omaha, NE.

Commercial Activity

As of 2017, taxable transactions in the County exceeded \$63 million. A history of taxable transactions is shown below.

Table A-6
Mono County
Taxable Transactions 2013 – 2017
(In Thousands)

	2013	2014	2015	2016	[2017] ⁽¹⁾
Eating and Drinking Group	\$ 1,176	\$ 7,723	\$ 7,688	\$ 8,547	\$ 9,672
Gasoline Stations	2,411	14,125	14,539	15,372	14,275
All Other Retail Stores Group	2,113	6,391	5,932	7,489	8,924
Retail Stores Totals	5,700	28,239	28,159	31,408	32,871
All Other Outlets	13,900	25,541	29,593	28,475	30,180
Total All Outlets	\$ 19,600	\$ 53,780	\$ 57,752	\$ 59,883	\$ 63,052

⁽¹⁾ Most recent calendar year data available.

Source: Taxable Sales, California State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, the HdL Companies.

Agriculture

The following table provides a summary of agricultural production within the County for the years 2013 through 2017:

**Table A-7
Mono County
Agricultural Production**

	2013	2014	2015	2016	2017
Fruit and Nut Crops	47,775	44,100	38,800	43,300	44,200
Forest Products	23,280	87,400	34,400	59,000	70,100
Field Crops	22,922,400	22,349,000	17,239,000	13,869,000	15,380,000
Row Crops	1845000	0	0	0	0
Nursery Products	0	0	0	20,000	20,000
Livestock & Poultry	23,644,970	14,466,000	13,930,000	13,796,000	15,755,000
Totals	48,503,425	36,946,500	31,242,000	27,787,300	31,269,300

Source: Mono County Agricultural Commission.

Education

Public school education is available through Eastern Sierra Unified School District and Mammoth Unified School District. The table below shows public school enrollment for the past four Fiscal Years.

**Table A-8
Mono County
Public School Enrollment
For Fiscal Years 2014-15 through 2017-18**

	2014-15	2015-16	2016-17	2017-18
K – 8	1,181	1,133	1,152	1,148
9 – 12	930	948	846	742
Total	2,111	2,081	1,998	1,890

Source: California Department of Education, Educational Demographic Unit.

APPENDIX B

**COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
FISCAL YEAR ENDED JUNE 30, 2017**

APPENDIX C
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

PROPOSED FORM OF OPINION OF SPECIAL COUNSEL

Upon delivery of the Certificates, Nixon Peabody LLP, Los Angeles, California, Special Counsel, proposes to render its final approving opinion with respect to the Certificates in substantially the following form:

[Date of Delivery]

Mono County
Bridgeport, California

**§ _____
MONO COUNTY
CERTIFICATES OF PARTICIPATION
SERIES 2018 A
(MONO COUNTY CIVIC CENTER)**

Ladies and Gentlemen:

We have acted as Special Counsel to the Mono County (the “County”) in connection with the execution, delivery and sale of \$_____ aggregate principal amount of Mono County Certificates of Participation (Mono County Civic Center) (the “Certificates”), executed and delivered pursuant to a master trust agreement, dated as of December 1, 2018 (the “Trust Agreement”), among the County of Mono Economic Development Corporation (the “Corporation”), the County and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

As special counsel, we have examined copies, certified to us as being true and complete, of the Trust Agreement, the Lease Agreement, dated as of December 1, 2018 (the “Lease Agreement”), by and between the Corporation and the County, the Ground Lease, dated as of December 1, 2018 (the “Ground Lease”), by and between the Corporation and the County, the Assignment Agreement, dated as of December 1, 2018 (the “Assignment Agreement”), by and between the Corporation and the Trustee, the Tax and Nonarbitrage Certificate of the County, dated the date hereof (the “Tax Certificate”), opinions of counsel to the Corporation, the County and the Trustee, certificates of the Corporation, the County, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have not undertaken to verify independently the accuracy of the factual matters represented, warranted or certified therein, and we have assumed the genuineness of all signatures thereto. The Lease Agreement, the Ground Lease, the Trust Agreement and the Assignment Agreement are collectively referred to herein as the “Legal Documents.”

We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of such questions of law as we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Trust Agreement, the Lease Agreement and the Ground Lease have been duly executed and delivered by, and, assuming due authorization, execution and delivery by any other parties thereto, constitute the legally valid and binding obligations of, the County and the Corporation, enforceable in accordance with their terms. Enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the enforcement of creditors' rights generally, the exercise of judicial discretion, the application of equitable principles if equitable remedies are sought and limitations on remedies against counties in the State of California.

2. The Assignment Agreement has been duly executed and delivered by, and, assuming due authorization, execution and delivery by the Trustee, constitutes the legally valid and binding obligation of, the Corporation, enforceable in accordance with its terms. Enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the enforcement of creditors' rights generally, the exercise of judicial discretion and the application of equitable principles if equitable remedies are sought.

3. Assuming due authorization, execution and delivery of the Trust Agreement and the Certificates by the Trustee, the Certificates are entitled to the benefits of the Trust Agreement.

4. The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements which must be met subsequent to the execution and delivery of the Certificates for the interest component of Base Rental Payments evidenced thereby to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest component of Base Rental Payments evidenced by the Certificates to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. Pursuant to the Trust Agreement and the Tax Certificate, the County has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest component of Base Rental Payments evidenced by the Certificates from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the County has made certain representations and certifications in the Trust Agreement and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, the interest component of Base Rental Payments paid by the County and received by the owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest component of Base Rental Payments is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. However, it is noted that solely for taxable years beginning before January 1, 2018, the interest component of Base Rental Payments evidenced by the Certificates is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

5. The interest component of Base Rental Payments paid by the County and received by the owners of the Certificates is exempt from personal income taxes of the State under present state law.

The opinions set forth in paragraphs 1, 2 and 3 above are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California. We express no opinion with respect to

any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Legal Documents, and we express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

Except as stated in paragraphs 4 and 5, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Certificates. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Certificates, or the interest component of Base Rental Payments evidenced thereby, if any action is taken with respect to the Legal Documents, the properties subject to the Lease Agreement, the Certificates or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of any offering material relating to the Certificates. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

We do not undertake to advise you of any subsequent events or developments which might affect the statements contained herein. Our engagement with respect to this matter has ended as of the date hereof, and we disclaim any obligation to update this letter.

Respectfully submitted,

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Certificates, payment of principal and interest evidenced by the Certificates to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Certificates, and other Certificates-related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the County and the Corporation each believes to be reliable, but the County and the Corporation take no responsibility for the completeness or accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Certificates. The Certificates will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate for each maturity of the Certificates will be executed and delivered for the Certificates in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by such reference or otherwise.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their

ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Trust Agreement and Lease Agreement. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds, principal, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

**§ _____
MONO COUNTY
CERTIFICATES OF PARTICIPATION
SERIES 2018 A
(MONO COUNTY CIVIC CENTER)**

This CONTINUING DISCLOSURE AGREEMENT (this “Disclosure Agreement”), dated as of December 1, 2018, is by and between the MONO COUNTY, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the “County”), and _____ a national banking association organized and existing under the laws of the United States of America, as Dissemination Agent (the “Dissemination Agent”).

WITNESSETH:

WHEREAS, the County has caused to be executed and delivered the Mono County Certificates of Participation Series 2018 A (Mono County Civic Center) (the “Certificates”), evidencing principal in the aggregate amount of \$ _____, pursuant to the Master Trust Agreement, dated as of December 1, 2018 (the “Trust Agreement”), by and between the County and U.S. Bank National Association, as Trustee (the “Trustee”); and

WHEREAS, this Disclosure Agreement is being executed and delivered by the County and the Dissemination Agent for the benefit of the owners and beneficial owners of the Certificates and in order to assist the underwriters of the Certificates in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

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

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

“Annual Report” means any Annual Report provided by the County pursuant to, and as described in, Sections 2 and 3 hereof.

“Annual Report Date” means the date in each year that is the first day of the month following the ninth month after the end of the County’s fiscal year, which date, as of the date of this Disclosure Agreement, is April 1.

“County” means the Mono County, a county and political subdivision of the State organized and existing under the laws of the State, and its successors.

“Disclosure Representative” means the County Administrative Officer of the County, the Auditor-Controller of the County, the Deputy Auditor-Controller of the County, the County Debt Manager of the County, or such other person as the County shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” means the _____, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the Trustee a written acceptance of such designation.

“Trust Agreement” means the Master Trust Agreement, dated as of December 1, 2018, by and among U.S. Bank National Association, as trustee, the Corporation and the County, as originally executed and as it may be amended or supplemented from time to time in accordance with its terms.

“Listed Events” means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the Official Statement, dated December __, 2018, relating to the Certificates.

“Participating Underwriter” means the original underwriter of the Certificates required to comply with the Rule in connection with the offering of the Certificates.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Trustee” means U.S. Bank National Association, as Trustee under the Trust Agreement, or any successor thereto as Trustee thereunder, substituted in its place as provided therein.

Section 2. Provision of Annual Reports. (a) The County shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report that is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the [2018-19] Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the County, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the County’s fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the County shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the County to determine if the County is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide each Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the County certifying that such Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following:

(a) The County's Comprehensive Annual Financial Report for the most recently ended fiscal year (the "CAFR"), including the County's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the County's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the County's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the CAFR, an update for the most recently ended fiscal year of the information contained in the tables with the following headings in the Official Statement:

- Table 1 – Mono County – General Fund Balance Sheet;
- Table 2 – Mono County – General Fund Statement of Actual Revenues, Expenditures and Changes in Fund Balance;
- Table 3 – Mono County – General Reserve;
- Table 4 – Mono County – Economic Stabilization Reserve;
- Table 5 – Mono County – General Fund Budgets;
- Table 6 – Mono County – Assessed Value of Taxable Property;
- Table 7 – Mono County – Property Tax Levies and Collections;
- Table 8 – Mono County – Ten Largest Taxpayers;
- Table 9 – Mono County – Transient Occupancy Tax Receipts;
- Table 10 – Mono County – Historical Taxable Sales and Sales Tax Receipts for Unincorporated Areas;
- Table 11 – Mono County – Long-Term Debt Outstanding;
- Table 12 – Mono County – Annual CalPERS Costs;
- Table 13 – Mono County – Employer Contributions – Pension Plan;
- Table 14 – Mono County – Annual OPEB Cost;
- Table 15 – Mono County – Retiree Healthcare Plan – Schedule of Funding Progress; and
- Table 17 – Mono County – Labor Relations.

An update of the financial and operating data contained in the Official Statement under the caption “COUNTY FINANCIAL INFORMATION – Investments of County Funds; County Pool.”

The County reserves the right to modify from time to time the format of the presentation of information provided pursuant to this section to the extent necessary or appropriate in the judgment of the County, provided that, in the County’s discretion, such modification shall be consistent with the Rule and the purpose of this Continuing Disclosure Agreement. Modifications to the presentation of such information could occur, among other instances, to reflect a change in GASB pronouncements or standards and guidance.

(c) In addition to any of the information expressly required to be provided under the preceding paragraphs (a) and (b), the County shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, that have been made available to the public on the MSRB’s website. The County shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the County.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement

or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(b) Pursuant to the provisions of this Section, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) Unless described in paragraph (v) of subsection (a) of this Section, material notices or determinations by the Internal Revenue Service with respect to the tax status of the Certificates or other material events affecting the tax status of the Certificates.

(ii) Modifications to rights of holders of the Certificates.

(iii) Optional, unscheduled or contingent Certificate calls.

(iv) Release, substitution, or sale of property securing repayment of the Certificates.

(v) Non-payment related defaults.

(vi) The consummation of a merger, consolidation, or acquisition involving an County or the sale of all or substantially all of the assets of the County other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional Trustee or the change of name of a Trustee.

(c) The Dissemination Agent shall, within one business day of obtaining actual knowledge in writing of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event. The Dissemination Agent shall have no obligation or duty to determine the materiality of such Listed Event or whether such Listed Event reflects financial difficulties.

(d) Whenever the County obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the County shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the County obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities law, the County shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB, within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and (iii) of subsection (a) of this Section need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates pursuant to the Trust Agreement.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The County's and the Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the County shall give, or cause to be given, notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the County. If at any time there is not a designated Dissemination Agent, the County shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the County; provided, however, that the Dissemination Agent shall not be obligated to agree to any such amendment if such amendment adversely affects the rights or increase the obligations of the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Certificates, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized Special Counsel, materially impair the interests of Owners or Beneficial Owners of the Certificates.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any

Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate amount of principal evidenced by the Outstanding Certificates, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Certificates may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the County or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of the Dissemination Agent. Article VIII of the Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event and shall not have any obligation or duty to review, verify or analyze any Annual Report; the Dissemination Agent shall hold each Annual Report solely as a repository for the Owners. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the County. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the County in a timely manner. The Dissemination Agent has no power to enforce performance on the part of the County. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, and which are not due to its negligence or its willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and the termination of this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 13. Governing Laws. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

MONO COUNTY

By: _____
Authorized Signatory

_____, as Dissemination Agent

By: _____
Authorized Signatory

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Mono County
Name of Issue: Mono County Certificates of Participation Series 2018 A (Mono County Civic Center)
Date of Issuance: December __, 2018

NOTICE IS HEREBY GIVEN that the Mono County (the "County") has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement, dated as of [December 1, 2018], by and between the County and [U.S. Bank National Association], as Dissemination Agent. [The County anticipates that such Annual Report will be filed by _____.]

Dated: _____

_____, as Dissemination Agent, on behalf of the Mono County

By: _____
Authorized Signatory

cc: Mono County

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attention: Rudy Salo, Esq.

GROUND LEASE

by and between

MONO COUNTY,
as Lessor

and the

COUNTY OF MONO
ECONOMIC DEVELOPMENT CORPORATION,
as Lessee

Related to
\$[____]
Mono County
Certificates of Participation 2018 Series A
(Mono County Civic Center)

Dated as of December 1, 2018

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE

GROUND LEASE

This **GROUND LEASE** (this “Ground Lease”), executed and entered into as of December 1, 2018, is by and between the MONO COUNTY, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the “County”), as lessor, and the COUNTY OF MONO ECONOMIC DEVELOPMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), as lessee.

RECITALS

WHEREAS, the County desires to finance certain costs of the construction of the Mono County Civic Center Project (the “Project”);

WHEREAS, in order to finance the Project, the County will lease certain real property and the improvements thereto (the “Property”) to the Corporation pursuant this Ground Lease, and the County will sublease the Property back from the Corporation pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”), which is recorded concurrently herewith;

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to finance the Project through the sale and delivery of Mono County Certificates of Participation 2018 Series A (Mono County Civic Center), evidencing direct, fractional undivided interests in the base rental payments to be made by the County under the Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Ground Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Ground Lease;

NOW, THEREFORE, in consideration of the promises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Section 1.01 of the Lease Agreement shall have the same meanings in this Ground Lease.

ARTICLE II

LEASE OF THE PROPERTY; RENTAL

Section 2.01. Lease of Property. The County hereby leases to the Corporation, and the Corporation hereby leases from the County, for the benefit of the Owners of the Certificates, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Ground Lease.

Section 2.02. Rental. (a) The Mono County Economic Development Corporation shall pay, or cause to be paid, to the County as and for rental of the Property hereunder, the sum of not to exceed \$[_____] (the "Ground Lease Payment"). The Ground Lease Payment shall be paid from the proceeds of the Certificates; provided, however, that in the event the available proceeds of the Certificates are not sufficient to enable the Corporation to pay such amount in full, the remaining amount of the Ground Lease Payment shall be reduced to an amount equal to the amount of such available proceeds.

(b) The Trustee shall deposit the Ground Lease Payment in one or more separate funds or accounts to be held and administered for the purpose of the costs of the Project. The Corporation and the County hereby find and determine that the amount of the Ground Lease Payment does not exceed the fair market value of the leasehold interest in the Property which is conveyed hereunder by the County to the Corporation. No other amounts of rental shall be due and payable by the Corporation for the use and occupancy of the Property under this Ground Lease.

ARTICLE III

QUIET ENJOYMENT

The parties intend that the Property will be leased back to the County pursuant to the Lease Agreement for the term thereof. Subject to any rights the County may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Property, the County hereby covenants and agrees that it will not take any action to prevent the Corporation from having quiet and peaceable possession and enjoyment of the Property during the term hereof and will, at the request of the Corporation and at the County's cost, to the extent that it may lawfully do so, join in any legal action in which the Corporation asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01. Waste. The Corporation agrees that at all times that it is in possession of the Property, it will not commit, suffer or permit any waste on the Property, and that it will not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Section 4.02. Further Assurances and Corrective Instruments. The County and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause

to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease, the Lease Agreement, the Assignment Agreement and the Master Trust Agreement.

Section 4.03. Waiver of Personal Liability. (a) All liabilities under this Ground Lease on the part of the Corporation shall be solely liabilities of the Corporation as a nonprofit public benefit corporation, and the County hereby releases each and every director, officer and employee of the Corporation of and from any personal or individual liability under this Ground Lease. No director, officer or employee of the Corporation shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

(b) All liabilities under this Ground Lease on the part of the County shall be solely liabilities of the County as a county and municipal corporation, and the Corporation hereby releases each and every member, officer and employee of the County of and from any personal or individual liability under this Ground Lease. No member, officer or employee of the County shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the Corporation or to any other party whomsoever for anything done or omitted to be done by the County hereunder.

Section 4.04. Taxes. The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property.

Section 4.05. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Section 4.06. Representations of the County. The County represents and warrants to the as follows:

(a) the County has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the County;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full; and

(d) the Property is necessary to the County in order for the County to perform its governmental functions.

Section 4.07. Representations of the Corporation. The Corporation represents and warrants that the Corporation has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Ground Lease.

ARTICLE V

ASSIGNMENT, SELLING AND SUBLEASING

Section 5.01. Assignment, Selling and Subleasing. This Ground Lease may be assigned or sold, and the Property may be subleased, as a whole or in part, by the Corporation, without the necessity of obtaining the consent of the County, if an event of default occurs under the Lease Agreement. The Corporation shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the County a true and correct copy of such assignment, sublease or sale, as the case may be.

Section 5.02. Restrictions on County. The County agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Ground Lease.

ARTICLE VI

IMPROVEMENTS

Title to all improvements made on the Property during the term hereof shall vest in the County.

ARTICLE VII

TERM; TERMINATION

Section 7.01. Term. The term of this Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including ____ 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

Section 7.02. Extension; Early Termination. If, on ____ 1, 20__, the Certificates shall not be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, or the Trust Agreement shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Ground Lease shall be automatically extended until the date upon which all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms, except that the term of this Ground Lease shall in no event be extended more than ten years. If, prior to ____ 1, 20__, all Certificates shall be fully paid, or provisions therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms, the term of this Ground Lease shall end simultaneously therewith.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the County, the Corporation and their respective successors and assigns.

Section 8.02. Severability. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.03. Amendments; Substitution and Release. This Ground Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of Section 8.01 of the Lease Agreement. The County shall have the right to substitute alternate real property for the Property or to release portions of the Property as provided in Section 8.03 of the Lease Agreement.

Section 8.04. Assignment. The Corporation and County acknowledge that the Corporation has assigned its right, title and interest in and to this Ground Lease to the Trustee pursuant to the Assignment Agreement, dated as of the date hereof, and recorded concurrently herewith. The County consents to such assignment.

Section 8.05. Captions. The captions or headings in this Ground Lease are for convenience only and in no way define or limit the scope or intent of any provision of this Ground Lease.

Section 8.06. Governing Laws. This Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 8.07. Execution in Counterparts. This Ground Lease may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

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

MONO COUNTY,
as Lessor

By: _____
Title:
Name:

**COUNTY OF MONO ECONOMIC
DEVELOPMENT CORPORATION,**
as Lessee

By: _____
Title:
Name:

EXHIBIT A
DESCRIPTION OF THE PROPERTY

EXHIBIT B
MAP OF THE PROPERTY

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attention: Rudy Salo, Esq.

LEASE AGREEMENT

by and between

COUNTY OF MONO
ECONOMIC DEVELOPMENT CORPORATION,
as Sublessor

And the

MONO COUNTY,
as Sublessee

Related to
\$[]
Mono County
Certificates of Participation 2018 Series A
(Mono County Civic Center)

Dated as of December 1, 2018

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 27383 AND TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	1
Section 1.01. Definitions.....	1
ARTICLE II LEASE OF PROPERTY; TERM.....	4
Section 2.01. Lease of Property	4
Section 2.02. Occupancy; Term.....	4
ARTICLE III RENTAL PAYMENTS	5
Section 3.01. Rental Payments.....	5
Section 3.02. Base Rental Payments.....	5
Section 3.03. Additional Rental Payments	6
Section 3.04. Fair Rental Value	6
Section 3.05. Payment Provisions.....	6
Section 3.06. Appropriations Covenant.....	7
Section 3.07. Rental Abatement.....	7
Section 3.08. Prepayment	7
ARTICLE IV QUIET ENJOYMENT; MAINTENANCE; ALTERATIONS; LIENS.....	8
Section 4.01. Quiet Enjoyment	8
Section 4.02. Net-Net-Net Lease	8
Section 4.03. Right of Entry	9
Section 4.04. Maintenance and Utilities	9
Section 4.05. Additions to Property.....	9
Section 4.06. Installation of County's Equipment.....	9
Section 4.07. Mechanics', Etc.....	10
Section 4.08. Other Liens.....	10
ARTICLE V INSURANCE; NET PROCEEDS; EMINENT DOMAIN	10
Section 5.01. Public Liability and Property Damage Insurance; Workers' Compensation Insurance.....	10
Section 5.02. Title Insurance	11
Section 5.03. Additional Insurance Provision; Form of Policies.....	11
Section 5.04. Self-Insurance	12
Section 5.05. Damage or Destruction	12
Section 5.06. Title Insurance	13
Section 5.07. Eminent Domain	13
ARTICLE VI REPRESENTATIONS; COVENANTS	14
Section 6.01. Representations of the County	14
Section 6.02. Representation of the Corporation	14
Section 6.03. Recordation.....	14
Section 6.04. Use of the Property	14
Section 6.05. Other Liens.....	15
Section 6.06. Taxes.....	15

TABLE OF CONTENTS
(continued)

	Page
Section 6.07. No Liability; Indemnification	15
Section 6.08. Further Assurances.....	16
ARTICLE VII DEFAULTS AND REMEDIES	16
Section 7.01. Events of Defaults and Remedies	16
Section 7.02. Waiver.....	19
ARTICLE VIII AMENDMENTS; ASSIGNMENT AND SUBLEASING; SUBSTITUTION OR RELEASE.....	20
Section 8.01. Amendments	20
Section 8.02. Assignment and Subleasing	21
Section 8.03. Substitution or Release of the Property	21
ARTICLE IX MISCELLANEOUS	22
Section 9.01. Assignment to Trustee	22
Section 9.02. Validity and Severability	22
Section 9.03. Notices	22
Section 9.04. Interpretation.....	23
Section 9.05. Section Headings	23
Section 9.06. Governing Laws.....	24
Section 9.07. Execution in Counterparts.....	24
 EXHIBIT A – DESCRIPTION OF THE PROPERTY	
EXHIBIT B – BASE RENTAL PAYMENT SCHEDULE	

LEASE AGREEMENT

This LEASE AGREEMENT (the “Lease Agreement”), dated as of December 1, 2018, is by and between the COUNTY OF MONO ECONOMIC DEVELOPMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), as sublessor, and the MONO COUNTY, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the “County”), as sublessee.

RECITALS

WHEREAS, the County desires to finance certain costs of the construction of the Mono County Civic Center Project (the “Project”);

WHEREAS, in order to finance the Project, the County will lease certain real property and the improvements thereto (the “Property”) to the Corporation pursuant to a Ground Lease, dated as of the date hereof, and the County will sublease the Property back from the Corporation pursuant to this Lease Agreement;

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to provide the funds necessary to finance the Project through the sale and delivery of Mono County Certificates of Participation 2018 Series A (Mono County Civic Center), evidencing direct, fractional undivided interests in the base rental payments to be made by the County under this Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease Agreement, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

“Additional Rental Payments” means all amounts payable by the County as Additional Rental Payments pursuant to Section 3.03 hereof.

“Assignment Agreement” means the Assignment Agreement, dated as of December 1, 2018, by and between the Corporation and U.S. Bank National Association, as Trustee.

“Authorized County Representative” means [the County Administrative Officer of the County, the Auditor-Controller of the County, the Treasurer of the County] and any other Person authorized by the Board of Supervisors of the County to act on behalf of the County under or with respect to this Lease Agreement.

“Base Rental Deposit Date” means the second Business Day next preceding each Interest Payment Date.

“Base Rental Payment Schedule” means the schedule of Base Rental Payments payable by the County pursuant to Section 3.02 hereof and attached hereto as Exhibit B.

“Base Rental Payments” means all amounts payable to the Corporation from the County as Base Rental Payments pursuant to Section 3.02 hereof.

“Certificates” means the Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) executed and delivered by the Trustee pursuant to the Trust Agreement.

“Code” means the Internal Revenue Code of 1986.

“Corporation” means the County of Mono Economic Development Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State, and its successors.

“County” means the Mono County, a county and political subdivision of the State organized and existing under the laws of the State, and its successors.

“Delivery Date” means December __, 2018.

“Event of Default” means, with respect to this Lease Agreement, any event or circumstance specified in 7.01 hereof as an Event of Default.

“Fair Rental Value” means, with respect to the Property, the annual fair rental value thereof.

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

“Ground Lease” means the Ground Lease, dated as of December 1, 2018, by and between the County and the Corporation, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Lease Agreement.

“Independent Insurance Consultant” means a nationally recognized independent actuary, insurance company or broker that has actuarial personnel experienced in the area of

insurance for which the County is to be self-insured, as may from time to time be designated by the County.

“Interest Payment Date” means ___ 1 and ____ 1 of each year commencing ____ 1, 201__.

“Lease Agreement” means this Lease Agreement, dated as of December 1, 2018, by and between the County and the Corporation, as the same may be amended or supplemented pursuant to the provisions hereof.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“Outstanding” has the meaning ascribed to such term in the Trust Agreement.

“Permitted Encumbrances” means with respect to the Property, as of any particular time (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to provisions of Section 6.06 hereof, permit to remain unpaid, (b) this Lease Agreement, (c) the Ground Lease, (d) the Assignment Agreement, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally exist with respect to properties similar to the Property for the purposes for which it was acquired or is held by the County, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Delivery Date, and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date which the County certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement.

“Project” means the construction of the Mono County Civic Center Project.

“Property” means the real property described in Exhibit A hereto, and any improvements thereto, subject to the provisions of Section 8.03 hereof relating to the substitution or release of the Property.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the period from the Delivery Date through June 30, [2018] and, thereafter, the twelve-month period commencing on July 1 of each year during the term of this Lease Agreement.

“Scheduled Termination Date” means ____ 1, 20__.

“State” means the State of California.

“Trust Agreement” means the Master Trust Agreement, dated as of December 1, 2018, by and among U.S. Bank National Association, as Trustee, the Corporation and the County, as originally executed and as it may from time to time be modified or amended by any Supplemental Trust Agreement.

“Trustee” means U.S. Bank National Association, as trustee under the Trust Agreement, or any successor thereto as trustee thereunder, substituted in its place as provided therein.

“Written Certificate” and **“Written Request”** of the County mean, respectively, a written certificate or written request signed in the name of the County by an Authorized County Representative. Any such request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

ARTICLE II

LEASE OF PROPERTY; TERM

Section 2.01. Lease of Property. (a) The Corporation hereby leases to the County and the County hereby leases from the Corporation the Property, on the terms and conditions hereinafter set forth, and subject to all Permitted Encumbrances.

(b) The leasing of the Property by the County to the Corporation pursuant to the Ground Lease shall not effect or result in a merger of the County’s leasehold estate in the Property as lessee under this Lease Agreement and its leasehold or fee estate, as applicable, in the Property as lessor under the Ground Lease, and the Corporation shall continue to have a leasehold estate in the Property pursuant to the Ground Lease throughout the term thereof and hereof. This Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the County to the Corporation pursuant to the Ground Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Corporation under the Ground Lease.

Section 2.02. Occupancy; Term. (a) The County shall take possession of the Property on the Delivery Date.

(b) The term of this Lease Agreement shall commence on the Delivery Date and shall end on the Scheduled Termination Date, unless such term is extended or sooner terminated as provided herein.

(c) If all of the Property shall be taken under the power of eminent domain, and the County does not elect to cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, as provided in clause (i) of Section 5.07(c) hereof but, rather, elects to deliver or cause to be delivered any award made in eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates, as provided in clause (ii) of Section 5.07(c) hereof, then,

on the date that possession thereof shall be so taken, the term of this Lease Agreement shall terminate.

(d) If, prior to the Scheduled Termination Date, all Certificates shall be fully paid, or deemed paid in accordance with Article X of the Trust Agreement, then, on the date of such payment or deemed payment, the term of this Lease Agreement shall terminate.

(e) If on the Scheduled Termination Date, the Rental Payments payable hereunder shall have been abated at any time and for any reason, then the term of this Lease Agreement shall be extended until the date upon which all such Rental Payments shall have been paid in full, except that the term of this Lease Agreement shall in no event be extended more than ten years beyond the Scheduled Termination Date.

(f) Upon the termination of the term of this Lease Agreement (other than as provided in Section 7.01 hereof), and the first date upon which the Certificates are no longer Outstanding, all right, title and interest in and to the Property shall vest in the County. Upon any such termination or expiration, the Corporation shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

ARTICLE III

RENTAL PAYMENTS

Section 3.01. Rental Payments. (a) Rental Payments, consisting of Base Rental Payments and Additional Rental Payments, shall be paid by the County to the Corporation for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid.

(b) The obligation of the County to make the Rental Payments, including the Base Rental Payments, does not constitute a debt of the County or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State is obligated to levy or pledge any form of taxation or for which the County or the State has levied or pledged any form of taxation.

(c) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the County to pay Rental Payments shall continue to and including the Base Rental Deposit Date preceding the date of termination of this Lease Agreement, as so extended.

Section 3.02. Base Rental Payments. (a) The County, subject to the provisions of Section 3.07 hereof, shall pay Base Rental Payments to the Corporation in the amounts at the times specified in the Base Rental Payment Schedule. A portion of the Base Rental Payments shall constitute principal components and a portion of the Base Rental Payments shall constitute interest components, as specified in the Base Rental Payment Schedule. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments.

(b) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the County to pay Rental Payments shall continue to and including the date of termination of this Lease Agreement as so extended. Upon such extension, the principal and interest components of the Base Rental Payments shall be established so that the principal components will in the aggregate be sufficient to pay all extended and unpaid principal components and the interest components will in the aggregate be sufficient to pay all extended and unpaid interest components; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

Section 3.03. Additional Rental Payments. (a) The County shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(i) all taxes and assessments of any type or nature charged to the Corporation or the County attributable to the Property or affecting the Property or the respective interests or estates of the Corporation or the County therein;

(ii) insurance premiums for all insurance required pursuant to Article V hereof; and

(iii) all other payments not constituting Base Rental Payments required to be paid by the County pursuant to the provisions of this Lease Agreement.

(b) Amounts constituting Additional Rental Payments payable hereunder shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Corporation to the County stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Section 3.04. Fair Rental Value. The parties hereto have agreed and determined that the Fair Rental Value of the Property is not less than \$[____] as of the Delivery Date. In making such determination of Fair Rental Value, consideration has been given to the uses and purposes which may be served by the Property and the benefits therefrom that will accrue to the County and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

Section 3.05. Payment Provisions. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Trustee, as the assignee of the Corporation at the Principal Office of the Trustee, or such other place or entity as the Trustee shall designate. Each Base Rental Payment shall be deposited with the Trustee, as the assignee of the Corporation, no later than the Base Rental Deposit Date preceding the Interest Payment Date on which such Base Rental Payment is due. Any Base Rental Payment which shall not be paid by the County when due and payable under the terms of this Lease Agreement shall bear interest from the date when the same is due hereunder until the same shall be paid a rate equal to the highest rate of interest evidenced by any of the Outstanding Certificates. Notwithstanding any dispute between the Corporation and the County, the County shall make all Rental Payments when due without deduction or offset of any kind and shall not

withhold any Rental Payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this Section on any date shall be reduced to the extent of available amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund.

Section 3.06. Appropriations Covenant. The County shall take such action as may be necessary to include all Rental Payments due hereunder as a separate line item in its annual budgets and supplemental or revised budgets and to make necessary annual appropriations for all such Rental Payments. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the County.

Section 3.07. Rental Abatement. (a) Except as otherwise specifically provided in this Section, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the County waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this Lease Agreement by virtue of any such interference, and this Lease Agreement shall continue in full force and effect. The County and the Corporation shall, in a reasonable manner and in good faith, determine the amount of such abatement; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the County during such Rental Period. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed.

(b) Notwithstanding the foregoing, to the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments, Rental Payments shall not be abated as provided in subsection (a) of this Section but, rather, shall be payable by the County as a special obligation payable solely from such Net Proceeds.

Section 3.08. Prepayment. (a) The County may prepay all or a portion of the Base Rental Payments which are payable on or after ____ 1, 202__, from any source of available funds, on any date on or after ____ 1, 202__, by paying (i) all or a portion, as elected by the County, of the principal components of such Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment, without premium.

(b) The County may prepay, from any source of available funds, all or any portion of the Base Rental Payments by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in Article X of the Trust Agreement sufficient to make such Base Rental Payments when due or to make such Base Rental payments through a specified date on which the County has a right to prepay such Base Rental Payments pursuant to subsection (a) of this Section, and to prepay such Base Rental Payments on such prepayment date, at a prepayment price determined in accordance with subsection (a) of this Section.

(c) If less than all of the Base Rental Payments are prepaid pursuant to this Section then, as of the date of such prepayment pursuant to subsection (a) of this Section, or the date of a deposit pursuant to subsection (b) of this Section, the principal and interest components of the Base Rental Payments shall be recalculated in order to take such prepayment into account, which recalculated amounts the County shall provide to the Trustee in a Written Certificate of the County. The County agrees that if, following a partial prepayment of Base Rental Payments, the Property is damaged or destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the County shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and the County shall not be entitled to any reimbursement of such Base Rental Payments.

(d) If all of the Base Rental Payments are prepaid in accordance with the provisions of this Lease Agreement then, as of the date of such prepayment pursuant to subsection (a) of this Section, or deposit pursuant to subsection (b) of this Section, the term of this Lease Agreement shall be terminated.

(e) Prepayments of Base Rental Payments made pursuant to this Section shall be applied to the prepayment of Certificates as provided in Section 4.01(a) of the Trust Agreement.

(f) Before making any prepayment pursuant to this Article, the County shall give written notice to the Trustee specifying (i) the portion, which may be all, of the principal component of each Base Rental Payment to be prepaid, and (ii) the date on which the prepayment will be made, which date shall be not less than 45 days prior to the prepayment date, unless such notice shall be waived by the Trustee.

ARTICLE IV

QUIET ENJOYMENT; MAINTENANCE; ALTERATIONS; LIENS

Section 4.01. Quiet Enjoyment. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Corporation.

Section 4.02. Net-Net-Net Lease. This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the Rental Payments

shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever and notwithstanding any dispute between the County and the Corporation.

Section 4.03. Right of Entry. The Corporation shall have the right to enter upon and to examine and inspect the Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Corporation's rights or obligations under this Lease Agreement, and for all other lawful purposes.

Section 4.04. Maintenance and Utilities. Throughout the term of this Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the County, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof. In exchange for the Rental Payments, the Corporation agrees to provide only the Property.

Section 4.05. Additions to Property. Subject to Section 4.07 hereof, the County and any sublessee shall, at its own expense, have the right to make additions, modifications and improvements to the Property. To the extent that the removal of such additions, modifications or improvements would not cause material damage to the Property, such additions, modifications and improvements shall remain the sole property of the County or such sublessee, and the Corporation shall not have any interest therein. Such additions, modifications and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such additions, modifications and improvements.

Section 4.06. Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the County or such sublessee, and the Corporation shall have no interest therein. The County or such sublessee may remove or modify such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items; and the Property, upon completion of any installations, modifications or removals made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such installations, modifications or removals. Nothing in this Lease Agreement shall prevent the County or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 4.07. Mechanics', Etc. Liens. In the event the County shall at any time during the term of this Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Property and which may be secured by a mechanics', materialmen's or other lien against the Property or the Corporation's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the County desires to contest any such lien, it may do so as long as such contest is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment.

Section 4.08. Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the County in conducting its business or utilizing the Property, and the Corporation at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Corporation shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Corporation shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

ARTICLE V

INSURANCE; NET PROCEEDS; EMINENT DOMAIN

Section 5.01. Public Liability and Property Damage Insurance; Workers' Compensation Insurance. (a) The County shall maintain or cause to be maintained, throughout the term of this Lease Agreement, a standard comprehensive general liability insurance policy or policies in protection of the County, the Corporation and their respective board members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance

coverage carried or required to be carried by the County. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid. The County's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 5.04 hereof.

(b) The County shall maintain or cause to be maintained casualty insurance insuring the Property against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood) to the full insurable value of the Property, subject to a \$100,000 loss deductible provision. Full insurable value shall not be less than the aggregate amount of principal evidenced by the Outstanding Certificates. The Net Proceeds of such casualty insurance shall be applied as provided in Section 5.05 hereof. The County's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 5.04 hereof.

(c) The County shall maintain rental interruption insurance to cover the Corporation's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to subsection (b) of this Section in an amount not less than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period. The Net Proceeds of such rental interruption insurance shall be applied to the payment of Rental Payments during the period in which, as a result of the damage or destruction to the Property that resulted in the receipt of such Net Proceeds, there is substantial interference with the County's right to the use or occupancy of the Property. The County's obligations under this subsection may not be satisfied by self-insurance.

(d) The insurance required by this Section shall be provided by reputable insurance companies with claims paying abilities determined, in the reasonable opinion of the County's professionally certified risk manager or an Independent Insurance Consultant, to be adequate for the purposes hereof.

Section 5.02. Title Insurance. The County shall provide, at its own expense, one or more CLTA title insurance policies for the Property, in the aggregate amount of not less than the aggregate amount of principal evidenced by the Outstanding Certificates. Said policy or policies shall insure (a) the fee interest of the County in the Property (b) the Corporation's ground leasehold estate in the Property under the Ground Lease, and (c) the County's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. The Net Proceeds of such title insurance shall be applied as provided as provided in Section 5.06 hereof.

Section 5.03. Additional Insurance Provision; Form of Policies. (a) The County shall pay or cause to be paid when due the premiums for all insurance policies required by Section 5.01 hereof. All such policies shall contain a standard lessee clause in favor of the Trustee and the general liability insurance policies shall be endorsed to show the Trustee as an additional insured. All such policies shall provide that the Trustee shall be given 30 days' notice of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided

thereby. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

(b) The County shall cause to be delivered to the Trustee, on or before ____ of each year, commencing ____, 201_, a schedule of the insurance policies being maintained in accordance herewith and a Written Certificate of the County stating that such policies are in full force and effect and that the County is in full compliance with the requirements of this Article. The Trustee shall be entitled to rely upon said Written Certificate of the County as to the County's compliance with this Article. The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies.

Section 5.04. Self-Insurance. Any self-insurance maintained by the County pursuant to this Article shall comply with the following terms:

(a) the self-insurance program shall be approved in writing by the County's professionally certified risk manager or by an Independent Insurance Consultant;

(b) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on a bi-annual basis by the County's professionally certified risk manager or by an Independent Insurance Consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of the County's professionally certified risk manager or such Independent Insurance Consultant, as applicable; and

(c) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the County's professionally certified risk manager or by an Independent Insurance Consultant, shall be maintained.

Section 5.05. Damage or Destruction. (a) If the Property or any portion thereof shall be damaged or destroyed, the County shall, within 30 days of the occurrence of the event of damage or destruction, notify the Trustee in writing of the County's determination as to whether or not such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof.

(b) If the County determines that such damage or destruction will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, the County shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof.

(c) If the County determines that such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, then the County shall (i) apply sufficient funds from the Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of such damage or destruction and other legally available funds to the repair or replacement of the Property or the portions thereof which have been damaged or destroyed to the

condition that existed prior to such damage or destruction, provided that, within 40 days of the occurrence of the event of damage or destruction, the County delivers to the Trustee a Written Certificate of the County (A) certifying that the County has sufficient funds to so complete such repair or replacement of the Property or such portions thereof and identifying such funds and the location thereof, and (B) stating that such funds will not be used for any other purpose until such repair or replacement is completed, (ii) within 60 days of the occurrence of the event of damage or destruction, cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, or (iii) within 60 days of the occurrence of the event of damage or destruction, deliver sufficient funds from such Net Proceeds and other legally available funds to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement (A) of all of the Outstanding Certificates, or (B) of such portion of the Outstanding Certificates as shall result in (I) the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to 105% of the maximum amount of the Base Rental Payments coming due in the then current Rental Period or any subsequent Rental Period, and (II) the fair replacement value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to the aggregate amount of principal evidenced by the Certificates then Outstanding.

Section 5.06. Title Insurance. (a) If a defect in title to the Property results in the creation of a right to receive Net Proceeds under any policy of title insurance with respect to the Property or any portion thereof, the County shall, within 30 days of the creation of such right, notify the Trustee in writing of the County's determination as to whether or not such title defect will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof.

(b) If the County determines that such title defect will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, such Net Proceeds shall be remitted to the County and used for any lawful purpose thereof.

(c) If the County determines that such title defect will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, then the County shall (i) within 60 days of the creation of such right to receive such Net Proceeds, cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, or (ii) immediately upon receipt thereof, deliver or cause to be delivered such Net Proceeds to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates.

Section 5.07. Eminent Domain. (a) If all or a portion of the Property shall be taken under the power of eminent domain, the County shall, no later than 45 days prior to the day that possession thereof shall be so taken, notify the Trustee in writing of the County's determination as to whether or not such taking will result in a substantial interference with the County's right to

the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof.

(b) If the County determines that such taking will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, any award made in eminent domain proceedings for such taking shall be remitted to the County and used for any lawful purpose thereof.

(c) If the County determines that such taking will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, then the County shall (i) no later than 45 days prior to the day that possession thereof shall be so taken, cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, or (ii) immediately upon receipt thereof, deliver or cause to be delivered any award made in eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates.

ARTICLE VI

REPRESENTATIONS; COVENANTS

Section 6.01. Representations of the County. The County represents and warrants (a) that the County has the full power and authority to enter into, to execute and to deliver this Lease Agreement and the Trust Agreement and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement and the Trust Agreement, and (b) the Property will be used in the performance of essential governmental functions.

Section 6.02. Representation of the Corporation. The Corporation represents and warrants that the Corporation has the full power and authority to enter into, to execute and to deliver this Lease Agreement and the Trust Agreement, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement and the Trust Agreement.

Section 6.03. Recordation. The County shall record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement, the Ground Lease and the Assignment Agreement.

Section 6.04. Use of the Property. The County will not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the County may contest in good faith the validity or

application of any such law or rule in any reasonable manner which does not, in the opinion of the Corporation, adversely affect the estate of the Corporation in and to any of the Property or its interest or rights under this Lease Agreement.

Section 6.05. Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the County in conducting its business or utilizing the Property, and the Corporation at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Corporation shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Corporation shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

Section 6.06. Taxes. (a) The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement as and when the same become due.

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

Section 6.07. No Liability; Indemnification. (a) The Corporation and its directors, officers, agents and employees, shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the County shall, at its expense, indemnify and hold the Corporation and the Trustee and all directors, members, officers, employees and agents thereof harmless against and from any and all claims by or on behalf of Person arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or

the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity. The County also covenants and agrees, at its expense, to pay and indemnify and save the Corporation and the Trustee and all directors, officers, employees and agents thereof harmless against and from any and all claims arising from (i) any condition of the Property and the adjoining sidewalks and passageways, (ii) any breach or default on the part of the County in the performance of any covenant or agreement to be performed by the County pursuant to this Lease Agreement, (iii) any act or negligence of licensees in connection with their use, occupancy or operation of the Property, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section, but excepting the negligence or willful misconduct of the person or entity seeking indemnity. In the event that any action or proceeding is brought against the Corporation or the Trustee or any director, member, officer or employee thereof, by reason of any such claim, the County, upon notice from the Corporation or the Trustee or such director, member, officer or employee thereof, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Corporation or the Trustee or such director, member, officer or employee thereof.

(b) In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease Agreement or the County's use of the Property.

Section 6.08. Further Assurances. The County shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Lease Agreement and for the better assuring and confirming unto the Corporation of the rights and benefits provided in this Lease Agreement.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Defaults and Remedies. (a) If (i) the County shall fail (A) to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement, or (B) to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County, if such failure to so keep, observe or perform shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Corporation, the Trustee, or the Owners of not less than 5% of the aggregate amount of principal evidenced by the Certificates at the time Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default hereunder if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, which period, unless otherwise consented to by the Corporation, shall not exceed 180 days after written notice thereof shall have been given to the County, (ii) the County's interest in this Lease Agreement or any part thereof be assigned or transferred, either voluntarily or by operation of

law or otherwise, without the written consent of the Corporation, (iii) the County shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute, or (iv) the County shall fail to observe and perform any of the covenants, agreements or conditions on its part in the Trust Agreement contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Corporation or the Owners of not less than 5% of the aggregate amount of principal evidenced by the Certificates at the time Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default hereunder if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, which period, unless otherwise consented to by the Corporation, shall not exceed 180 days after written notice thereof shall have been given to the County, then such failure or event shall constitute an Event of Default under this Lease Agreement.

(b) Upon the occurrence of any Event of Default hereunder, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(i) To terminate this Lease Agreement in the manner hereinafter provided on account of such Event of Default, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (ii) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the County. In the event of such termination, the County agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of such Event of Default, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of an Event of Default hereunder shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the County of the election on the part of the Corporation to terminate this Lease Agreement. The County covenants and agrees that no surrender of the Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated by the Corporation by such written notice.

(ii) Without terminating this Lease Agreement, (A) to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Property, or (B) to exercise any and all rights of entry and re-entry upon the Property. In the event the Corporation does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (i) hereof, the County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and, if the Property is not re-let, to pay the full amount of the Rental Payments to the end of the term of this Lease Agreement or, in the event that the Property is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Corporation elect to re-enter as herein provided, the County hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the County to re-let the Property, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the County, and the County hereby indemnifies and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, upon the occurrence of an Event of Default hereunder, the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (i) hereof. The County further agrees to pay the Corporation the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the County of the completion and installation of such additions or alterations.

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

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

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

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

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

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

(e) In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder.

(f) Notwithstanding anything to the contrary contained in this Lease Agreement, the Corporation shall have no right upon a default by the County hereunder, an Event of Default hereunder or otherwise to accelerate Rental Payments.

(g) Notwithstanding anything herein to the contrary, the termination of this Lease Agreement by the Corporation on account of an Event of Default hereunder shall not effect or result in a termination of the lease of the Property by the County to the Corporation pursuant to the Ground Lease.

Section 7.02. Waiver. Failure of the Corporation to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Corporation to insist upon performance by the

County of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease Agreement.

ARTICLE VIII

AMENDMENTS; ASSIGNMENT AND SUBLEASING; SUBSTITUTION OR RELEASE

Section 8.01. Amendments. (a) This Lease Agreement and the Ground Lease, and the rights and obligations of the Corporation and the County hereunder and thereunder, may be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the County and the Corporation, but only with the prior written consent of the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding, provided that no such amendment shall (i) extend the payment date of any Base Rental Payment or reduce any Base Rental Payment, without the prior written consent of the Owner of each Certificate so affected, or (ii) reduce the percentage of the aggregate amount of principal evidenced by the Certificates then Outstanding, the consent of the Owners of which is required for the execution of any amendment of this Lease Agreement or the Ground Lease, without the prior written consent of the Owners of all the Certificates then Outstanding.

(b) This Lease Agreement and the Ground Lease, and the rights and obligations of the County and the Corporation hereunder and thereunder, may also be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the County and the Corporation, without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the Corporation or the County to be observed or performed herein or therein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Corporation or the County, or to surrender any right or power reserved herein or therein to or conferred herein or therein on the Corporation or the County;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or therein or in regard to questions arising hereunder or thereunder which the Corporation or the County may deem desirable or necessary and not inconsistent herewith or therewith, and which shall not materially adversely affect the rights or interests of the Owners;

(iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest evidenced by the Certificates;

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Section 8.03 hereof;

(v) to provide for Additional Certificates pursuant to Sections 2.11 and 2.12 of the Trust Agreement; or

(vi) to make such other changes herein or therein or modifications hereto or thereto as the Corporation or the County may deem desirable or necessary, and which shall not materially adversely affect the interests of the Owners.

Section 8.02. Assignment and Subleasing. Neither this Lease Agreement nor any interest of the County hereunder shall be sold, mortgaged, pledged, assigned or transferred by the County by voluntary act or by operation of law or otherwise; provided, however, that the Property may be subleased in whole or in part by the County, provided that any such sublease shall be subject to all of the following conditions:

(a) this Lease Agreement and the obligation of the County to make all Rental Payments hereunder shall remain the primary obligation of the County;

(b) the County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation a true and complete copy of such sublease;

(c) any sublease of the Property by the County shall explicitly provide that such sublease is subject to all rights of the Corporation under this Lease Agreement, including, the right to re-enter and re-let the Property or terminate this Lease Agreement upon an Event of Default hereunder; and

(d) the County shall furnish the Corporation with an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes.

Section 8.03. Substitution or Release of the Property. The County shall have the right to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Lease Agreement. All costs and expenses incurred in connection with such substitution or release shall be borne by the County. Notwithstanding any substitution or release pursuant to this Section, there shall be no reduction in or abatement of the Base Rental Payments due from the County hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution or release:

(a) an independent certified real estate appraiser selected by the County shall have found (and shall have delivered a certificate to the County and the Corporation setting forth its findings) that the Property, as constituted after such substitution or release (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of the Base Rental Payments coming due in the then current Rental Period or any subsequent Rental Period, (ii) has a replacement value at least equal to the aggregate amount of principal evidenced by the Certificates then Outstanding, and (iii) has a remaining useful life equal to or greater than the remaining term of this Lease Agreement;

(b) the County shall have obtained or caused to be obtained a CLTA title insurance policy or policies with respect to any substituted property in the amount of the fair

market value of such substituted property (which fair market value shall have been determined by an independent certified real estate appraiser), of the type and with the endorsements described in Section 5.02 hereof;

(c) the County shall have certified to the Corporation that the substituted real property is of approximately the same degree of essentiality to the County as the portion of the Property for which it is being substituted;

(d) the County shall have provided the Corporation with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes; and

(e) the County and the Corporation shall have executed, and the County shall have caused to be recorded with the Mono County Recorder, any document necessary to reconvey to the County the portion of the Property being substituted or released and to include any substituted real property in the description of the Property contained herein and in the Ground Lease.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Assignment to Trustee. The County understands and agrees that, upon the execution and delivery of the Assignment Agreement (which is occurring simultaneously with the execution and delivery hereof), all right, title and interest of the Corporation in and to this Lease Agreement (other than the Corporation's rights to indemnification and to payment or reimbursement of its reasonable costs and expenses hereunder) will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Certificates. The County hereby consents to such sale, assignment and transfer. Upon the execution and delivery of the Assignment Agreement, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

Section 9.02. Validity and Severability. If for any reason this Lease Agreement shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Corporation or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay Rental Payments, is unenforceable for the full term hereof, then and in such event this Lease Agreement is and shall be deemed to be a Lease Agreement under which the Rental Payments are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the Property, and all of the terms, provisions and conditions of this Lease Agreement, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 9.03. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given

to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:	Mono County PO Box 556 Courthouse Annex II Bridgeport, CA 93517 Attention: [_____]
If to the Corporation:	County of Mono Economic Development Corporation c/o Mono County PO Box 556 Courthouse Annex II Bridgeport, CA 93517 Attention: [_____]
If to the Trustee:	U.S. Bank National Association 633 West Fifth Street, 24 th Floor Los Angeles, CA 90071 Attention: [_____]

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier, electronic mail or other electronic communication, upon the sender's receipt of an appropriate answerback or other written acknowledgment or electronic confirmation of receipt, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 9.04. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 9.05. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

Section 9.06. Governing Laws. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

Section 9.07. Execution in Counterparts. This Lease Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

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

**COUNTY OF MONO ECONOMIC
DEVELOPMENT CORPORATION,**
as Sublessor

By: _____
Title:
Name:

MONO COUNTY,
as Sublessee

By: _____
Title:
Name:

CERTIFICATE OF ACCEPTANCE
(Government Code Section 27281)

This is to certify that the interest in real property conveyed by the foregoing Lease Agreement from the County of Mono Economic Development Corporation to the County Monterey, a political subdivision of the State of California (the "County") is hereby accepted by order of the Board of Supervisors of the Mono County on December __, 2018, and the County consents to recordation thereof by its duly authorized officer.

MONO COUNTY,
as Sublessee

By: _____
County Administrative Officer

Attest:

By: _____
Clerk of the Board of Supervisors

EXHIBIT A
DESCRIPTION OF THE PROPERTY

EXHIBIT B

BASE RENTAL PAYMENT SCHEDULE

<u>Interest Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Base Rental Payment</u>
	\$	\$	\$

EXHIBIT C
MAP OF THE PROPERTY

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attention: Rudy Salo, Esq.

ASSIGNMENT AGREEMENT

by and between

COUNTY OF MONO
ECONOMIC DEVELOPMENT CORPORATION,
as Assignor

And

U.S. BANK, NATIONAL ASSOCIATION,
AS TRUSTEE,
as Assignee

Related to
\$[]
Mono County
Certificates of Participation
2018 Series A
(Mono County Civic Center)

Dated as of December 1, 2018

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this “Assignment Agreement”), dated as of December 1, 2018, is by and between the COUNTY OF MONO ECONOMIC DEVELOPMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), as assignor, and U.S. BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”), as assignee.

WITNESSETH:

WHEREAS, pursuant to a Ground Lease, dated as of the date hereof (the “Ground Lease”), which Ground Lease is recorded concurrently herewith, Mono County (the “County”) has leased to the Corporation certain real property owned by the County, and the improvements thereto (the “Property”);

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”), which Lease Agreement is recorded concurrently herewith, the Corporation has leased the Property back to the County;

WHEREAS, under the Lease Agreement, the County is obligated to make Base Rental Payments (as defined in the Lease Agreement) to the Corporation for the lease of the Property;

WHEREAS, the Corporation desires to assign, without recourse, certain of its rights in the Ground Lease and the Lease Agreement, including its rights to receive the Base Rental Payments under the Lease Agreement, to the Trustee for the benefit of the owners of the Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) (the “Certificates”) to be executed and delivered under the Master Trust Agreement, dated as of the date hereof (the “Trust Agreement”), by and among the Trustee, the Corporation and the County, which Trust Agreement is not recorded;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing a direct, fractional undivided interest in the Base Rental Payments; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Assignment Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Assignment. The Corporation, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the owners of the Certificates, all of its right, title and interest in and to the Ground Lease and the Lease Agreement, including, without limitation, its right to receive the Base Rental Payments to be paid by the County under and pursuant to the Lease Agreement; provided, however, that the Corporation shall retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement. This assignment is absolute and is presently effective. Upon execution of this Assignment Agreement, the Corporation shall have no right, title or interest in or to the Base Rental Payments, the Additional Rental Payments, the Lease Agreement or the Ground Lease. All rights assigned by the Corporation shall be administered by the Trustee in accordance with the provisions of the Trust Agreement.

Section 2. Acceptance. The Trustee hereby accepts the foregoing assignment, subject to the terms and provisions of the Trust Agreement, and all of the Base Rental Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Lease Agreement and the Trust Agreement.

Section 3. Conditions. This Assignment Agreement shall impose no obligations whatsoever upon the Trustee beyond those expressly provided in the Lease Agreement and the Trust Agreement.

Section 4. Further Assurances. The Corporation shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the owners of the Certificates, the right, title and interest intended to be sold, assigned and transferred pursuant hereto.

Section 5. Execution in Counterparts. This Assignment Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 7. Captions. The captions or headings in this Assignment Agreement are for convenience only and in no way define or limit the scope or intent of any provision of this Assignment Agreement.

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

**COUNTY OF MONO ECONOMIC
DEVELOPMENT CORPORATION,**
as Assignor

By: _____
Title:
Name:

**U.S. BANK, NATIONAL ASSOCIATION,
AS TRUSTEE,**
as Assignee

By: _____
Authorized Officer

EXHIBIT A
DESCRIPTION OF THE PROPERTY

\$[_____]
 MONO COUNTY
 CERTIFICATES OF PARTICIPATION
 2018 SERIES A
 (MONO COUNTY CIVIC CENTER)

CERTIFICATE PURCHASE AGREEMENT

[December 5], 2018

Mono County
PO Box 556
Courthouse Annex II
Bridgeport, CA 93517

Ladies and Gentlemen:

Brandis Tallman LLC (the “**Underwriter**”) offers to enter into this Certificate Purchase Agreement (this “**Purchase Contract**”) with the County of Mono (the “**County**”). This offer is made subject to the County’s acceptance by execution of this Purchase Contract and delivery of the same to the Underwriter on or before 11:59 p.m. Pacific Time on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to such acceptance. Upon the County’s acceptance hereof, the Purchase Contract will be binding upon the County and the Underwriter.

The County acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the County and the Underwriter and the Underwriter has financial and other interests that differ from those of the County; (ii) the Underwriter is acting solely as a principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), financial advisor or fiduciary to the County, and has not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters); (iii) the only obligations the Underwriter has to the County with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the County has consulted their own municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. The County acknowledges and represents that it has engaged KNN Public Finance, LLC as its municipal advisor and will rely on the financial advice of KNN Public Finance, LLC

with respect to the Certificates (as defined below). The County acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter's disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB").

Capitalized terms used in this Purchase Contract and not otherwise defined herein will have the respective meanings set forth for such terms in the Trust Agreement (defined below).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Contract, the Underwriter agrees to purchase from the County, and the County agrees to sell and deliver to the Underwriter, all (but not less than all) of the following certificates: the County of Mono Certificates of Participation 2018 Series A (Mono County Civic Center) (the "**Certificates**") at a purchase price of \$[____] (being an amount equal to the principal amount of the Certificates (\$[____]), plus an original issue premium of \$[____], and less an underwriter's discount of \$[____]). The obligations of the Underwriter to purchase, accept delivery of and pay for the Certificates will be conditioned on the sale and delivery of all of the Certificates by the County to the Underwriter at Closing (hereafter defined).

Section 2. Certificate Terms; Authorizing Instruments; Purpose. The Certificates will be dated their date of delivery and will mature and evidence interest at the rates per annum as shown on Exhibit A and be subject to prepayment as set forth on Exhibit B. The Certificates will be as described in, and will be executed and delivered under, a Master Trust Agreement, dated as of December 1, 2018 (the "**Trust Agreement**"), among the County, the County of Mono Economic Development Corporation (the "**Corporation**") and U.S. Bank National Association, as trustee (the "**Trustee**").

The Certificates will represent direct, undivided fractional interests in certain rental payments (the "**Base Rental Payments**") to be made by the County pursuant to a Lease Agreement dated as of December 1, 2018 (the "**Lease Agreement**"), by and between the County and the Corporation. Pursuant to the Lease Agreement, the County will pay the Base Rental Payments in consideration for use and occupancy of certain real property owned by the County (the "**Property**"), which the County will initially lease to the Corporation pursuant to a Ground Lease, dated as of December 1, 2018 (the "**Ground Lease**") by and between the Corporation and County and sublease back from the Corporation pursuant to the Lease Agreement.

The Corporation will assign to the Trustee its right to receive the Base Rental Payments pursuant to an Assignment Agreement, dated as of December 1, 2018 (the "**Assignment Agreement**") by and between the Corporation and the Trustee.

[Payment of the principal and interest evidenced by the Certificates shall be insured by _____ (the "**Certificate Insurer**"), which shall issue its financial guaranty insurance policy (the "**Insurance Policy**") guaranteeing such payment. The County will also obtain and cause to be deposited in the Reserve Fund established by the Trust Agreement a reserve insurance policy issued by _____ (the "**Reserve Insurer**") in an amount equal to the Reserve Requirement (the "**Reserve Policy**").]

The proceeds of the Certificates will be used to (i) provide funds to finance certain costs of the construction of the Mono County Civic Center Project, (ii) purchase the Reserve Policy, (iii) fund capitalized interest on the Certificates to _____, and (iv) pay the costs of issuing the Certificates.

Section 3. Official Statement; Continuing Disclosure. The County has delivered to the Underwriter the Preliminary Official Statement dated [November 26], 2018 (the “**Preliminary Official Statement**”) and will deliver to the Underwriter a final official statement dated the date of this Purchase Contract (as amended and supplemented from time to time pursuant to Section 4(i) of this Purchase Contract, the “**Official Statement**”). Subsequent to its receipt of the County’s 15c2-12 Certificate, deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (“**Rule 15c2-12**”), the Underwriter has distributed copies of the Preliminary Official Statement. The County hereby ratifies the use by the Underwriter of the Preliminary Official Statement and authorizes the Underwriter to use and distribute in printed and/or electronic format the Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12, and any supplements and amendments thereto as have been approved by the County, the Trust Agreement, the Ground Lease, the Assignment Agreement, the Lease Agreement, this Purchase Contract, the Continuing Disclosure Agreement (hereinafter defined) and all information contained therein, and all other documents, certificates and written statements furnished by the County to the Underwriter in connection with the transactions contemplated by this Purchase Contract, in connection with the offer and sale of the Certificates by the Underwriter.

The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the Closing and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Certificates, including, without limitation, MSRB Rule G-32 and Rule 15c2-12. The County agrees to deliver to the Underwriter as many copies of the Official Statement as the Underwriter will reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12. The County agrees to deliver the final Official Statement within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under Rule 15c2-12 and Rule G-32 of the MSRB.

In connection with issuance of the Certificates, and in order to assist the Underwriter with complying with the provisions of Rule 15c2-12, the County will execute a continuing disclosure agreement (the “**Continuing Disclosure Agreement**”) with _____, as dissemination agent (the “**Dissemination Agent**”), under which the County will undertake to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Agreement is attached as an appendix to the Preliminary Official Statement and will be attached as an appendix to the final Official Statement.

Section 4. Representations, Warranties and Covenants of the County. The County hereby represents, warrants and agrees with the Underwriter that:

(a) The County is a county and political subdivision of the State of California (the “**State**”) organized and existing under the laws of the State has all necessary power and authority

to adopt the County Resolution (defined below), to enter into and perform its duties under the Trust Agreement, the Lease Agreement, the Ground Lease, and this Purchase Contract (the “**County Agreements**”) and the County Agreements have been duly authorized, has or will be executed and delivered by the County and, assuming the due authorization, execution and delivery by the other respective parties thereto, when executed and delivered by the County will constitute legally valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors’ rights generally or principles of equity involving judicial discretion.

(b) After the Board of Supervisors of the County (the “**Board**”) conducted a public hearing, the Board has taken official action by resolution adopted on [November 13], 2018 (the “**County Resolution**”) adopted by a majority of the members of the Board at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the County Agreements and the execution and delivery of the Official Statement and the taking of any and all such action as may be required on the part of the County to carry out, give effect to and consummate the transactions contemplated hereby.

(c) The County is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America material to the conduct of its governmental or financial functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the County is a party or to which the County or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of the County Agreements and the Certificates, and compliance with the provisions hereof and thereof, will not conflict with or constitute a material breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the County (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Certificates or the County Agreements.

(d) To the best knowledge of the County, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the County required for the execution and delivery of the County Agreements, or the execution and sale of the Certificates or the consummation by the County of the transactions contemplated herein, in the Official Statement or in the County Agreements, which has not been duly obtained or made on or prior to the date hereof.

(e) By all necessary official action, the County has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of

the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Certificates and the County Agreements, and the consummation by it of all other transactions contemplated by the County Resolution, the County Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by their respective parties, the County Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the County, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(f) The Preliminary Official Statement, as of the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the County makes no representation or warranty as to the statements or information contained in or omitted from the Preliminary Official Statement regarding DTC, [the Certificate Insurer, Insurance Policy, the Reserve Insurer, the Reserve Policy] or in reliance upon and in conformity with information furnished in writing to the County by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(g) As of its date and as of the date of the Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading; provided, however, that the County makes no representation or warranty as to the statements or information contained in or omitted from the Official Statement regarding DTC, [the Certificate Insurer, Insurance Policy, the Reserve Insurer, the Reserve Policy] or in reliance upon and in conformity with information furnished in writing to the County by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(h) As of the date hereof, except as disclosed in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the County or, to the best knowledge of the County, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the County, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of County Agreements or the Certificates, or (iii) in any way question or affect the transactions contemplated by the County Agreements, the Official Statement, or any other agreement or instrument to which the County is a party relating to the Certificates.

(i) The proceeds from the sale to the Underwriter of the Certificates will be applied in the manner and for the purposes specified in Section 1 hereof and the Trust Agreement.

(j) Any certificate signed by any official of the County authorized to do so will be deemed a representation and warranty by the County to the Underwriter as to the statements made therein.

(k) The County agrees to cooperate with the Underwriter in endeavoring to qualify the Certificates for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the County will not be required to consent to service of process in any such jurisdiction or to qualify as a foreign corporation in connection with any such qualification in any jurisdiction and that the Underwriter shall be solely responsible for the cost of such qualification.

(l) The County has complied with the Internal Revenue Code of 1986, as amended, with respect to the Certificates.

(m) The financial statements of, and other financial information regarding, the County contained in the Official Statement fairly present the financial position and results of the operations of the County as of the dates and for the periods therein set forth, and, to the best of the County's knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other financial information has been determined on a basis substantially consistent with that of the County's audited financial statements included in the Official Statement.

(n) Except as described in the Preliminary Official Statement and will be described in the Official Statement, within the last five years the County has not failed to comply in all material respects with any prior continuing disclosure obligations entered into pursuant to Rule 15c2-12.

(o) Between the date of this Purchase Contract and the date of Closing, the County will not, without the prior written consent of the Underwriter, and except as disclosed in the Official Statement, offer or issue any certificates, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by or payable from the County's general fund.

(p) Except as previously disclosed to the Underwriter, the County is not in default, and at no time has the County defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(q) If between the date of this Purchase Contract and the date which is 25 days following the End of the Underwriting Period (as defined below), any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County will immediately notify the Underwriter, or the Underwriter may notify the County, and if, in the opinion of the Underwriter and the County, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its expense supplement or amend the Official Statement in a form

and in a manner approved by the Underwriter. “End of the Underwriting Period” will mean the later of: (i) the Closing Date, and (ii) the date the Underwriter does not directly retain an unsold balance of the Certificates for sale to the public, provided that unless the Underwriter notifies the County on or prior to the Closing Date that it directly retains an unsold balance of the Certificates for sale to the public, the End of the Underwriting Period will be deemed to have occurred on the Closing Date.

Section 5. The Closing. At 8:00 A.M., Pacific time, on [December __], 2018, or on such earlier or later time or date as may be agreed upon by the Underwriter and the County (the “**Closing**”), the County will deliver the Certificates to the Underwriter, through the book-entry system of The Depository Trust Company (“**DTC**”). Prior to the Closing, the County will deliver, at the offices of Nixon Peabody LLP (“**Special Counsel**”) in Los Angeles, California, or such other place as is mutually agreed upon by the Underwriter and the County, the other documents described in this Purchase Contract. On the date of the Closing, the Underwriter will pay the purchase price of the Certificates as set forth in Section 1 of this Purchase Contract in immediately available funds to the order of the Trustee.

The Certificates will be issued in fully registered form and will be prepared and delivered as one Certificate for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Certificates, but neither the failure to provide such numbers nor any error with respect thereto will constitute a cause for failure or refusal by the Underwriter to accept delivery of the Certificates in accordance with the terms of this Purchase Contract.

Section 6. Conditions to Underwriter’s Obligations. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, including, without limitation, the certificate of the Corporation to be delivered at Closing in substantially the form attached hereto as Exhibit I (the “**Letter of Representations**”) and upon the performance by the County of their respective obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the date of the Closing. The Underwriter’s obligations under this Purchase Contract are and will also be subject to the sale, issuance and delivery of the Certificates as well as the following conditions:

(a) The representations and warranties of the County contained in this Purchase Contract will be true and correct in all material respects on the date of this Purchase Contract and on and as of the date of the Closing as if made on the date of the Closing;

(b) As of the date of the Closing, the Official Statement may not have been amended, modified or supplemented, except in any case as may have been agreed to in writing by the Underwriter;

(c) (i) As of the date of the Closing, the County Resolution, the resolution adopted by the Board of Directors of the Corporation adopted on November [13], 2018 (the “**Corporation Resolution**”), the County Agreements and the Ground Lease, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Continuing Disclosure Agreement and this Purchase

Contract (the “**Corporation Agreements**”) will be in full force and effect, and will not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter, (ii) the County will perform or have performed all of its obligations required under or specified in the County Resolution and the County Agreements to be performed at or prior to the date of the Closing; and (iii) the Corporation will perform or have performed all of its obligations required under or specified in the Corporation Resolution and the Corporation Agreements to be performed at or prior to the date of the Closing;

(d) As of the date of the Closing, all necessary official action of the County relating to the County Agreements, the County Resolution and the Official Statement, and all necessary official action of the Corporation relating to the Corporation Agreements, the Corporation Resolution, and the Official Statement, will have been taken and will be in full force and effect and will not have been amended, modified or supplemented in any material respect, except as may have been agreed to by the Corporation and Underwriter; and

(e) As of or prior to the date of the Closing, the Underwriter will have received each of the following documents:

(1) Certified copies of the County Resolution and the Corporation Resolution.

(2) Duly executed copies of the Trust Agreement, the Assignment Agreement, the Lease Agreement, the Ground Lease, the Continuing Disclosure Agreement and this Purchase Contract.

(3) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the County.

(4) Approving opinions of Special Counsel, dated as of the Closing, as to the validity of the Certificates and the exclusion of interest on the Certificates from federal gross income and the exemption of interest on the Certificates from State personal income taxation, addressed to the County substantially in the form attached in Appendix D to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter.

(5) A supplemental opinion of Special Counsel, dated the date of Closing, addressed to the Underwriter, to the effect that:

(i) The Purchase Contract has been duly executed and delivered by the County and, assuming due authorization, execution and delivery by the Underwriter, is valid and binding upon the County, subject to laws relating to bankruptcy, insolvency, reorganization or creditors’ rights generally and to the application of equitable principles;

(ii) The Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended (the “**Securities Act**”), and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(iii) The statements contained in the Official Statement on the cover and under the headings “INTRODUCTION,” “THE CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT” and “TAX MATTERS,” and in “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” and “APPENDIX D – PROPOSED FORM OF SPECIAL COUNSEL OPINIONS,” insofar as such statements purport to describe certain provisions of the Certificates, the Ground Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement, or to summarize the opinion of Special Counsel regarding the tax-exempt nature of the interest on the Certificates, are accurate in all material respects.

(6) A letter from Nixon Peabody LLP, as disclosure counsel to the County, addressed to the Underwriter, to the effect that: During the course of our work on this matter, no facts have come to our attention that cause us to believe that the Official Statement (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Official Statement and the appendices to the Official Statement) as of the date of the Official Statement and as of the date of Closing, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(7) An opinion or opinions of the County Counsel, dated as of the Closing addressed to the County and the Underwriter, in form and substance acceptable to the Underwriter, to the effect that:

(i) The Corporation is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California. The Corporation Board is the governing body of the Corporation.

(ii) The Corporation has all necessary power and authority to adopt the Corporation Resolution, to enter into and perform its duties under the Corporation Agreements, and, when executed and delivered by the respective parties thereto, the Corporation Agreements will each constitute a legal, valid and binding obligation of the Corporation enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(iii) The Corporation Resolution was duly adopted at a meeting of the Corporation Board, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the Corporation Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(iv) The execution and delivery by the Corporation of the Corporation Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the Corporation is a party, and compliance with

the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Corporation is a party or is otherwise subject or bound in a manner which would materially adversely affect the Corporation's performance under the Corporation Agreements.

(v) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Corporation of its obligations under the Corporation Agreements have been obtained and are in full force and effect.

(vi) To the best of the County Counsel's knowledge, other than as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Corporation (A) affecting the existence of the Corporation or the titles of its Corporation Board members or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance or sale of the Certificates, (C) in any way contesting or affecting the validity or enforceability of the Corporation Resolution or the Corporation Agreements, (D) in any way contesting the powers of the County to issue or sell the Certificates or the Corporation's authority with respect to the Corporation Resolution or the Corporation Agreements, (E) in any way contesting or affecting any of the rights, powers, duties or obligations of the Corporation with respect to the money or property pledged or to be pledged under the Trust Agreement, the Lease Agreement or the Ground Lease, or (G) in any way questioning the accuracy of the statements in the Official Statement.

(vii) The County is a county and political subdivision of the State organized and validly existing under the laws of the State of California. The Board of Supervisors of the County is the governing body of the County.

(viii) The County has all necessary power and authority to adopt the County Resolution, to enter into and perform its duties under the County Agreements and, when executed and delivered by the respective parties thereto, the County Agreements will each constitute legal, valid and binding obligation of the County enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(ix) The County Resolution was duly adopted at a regular meeting of the Board of Supervisors, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting

throughout and the County Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(x) To the best of the County Counsel's knowledge, other than as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the County (A) affecting the existence of the County or the titles of its Board members or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance or sale of the Certificates, (C) in any way contesting or affecting the validity or enforceability of the County Resolution or the County Agreements, (D) in any way contesting the powers of the County to issue or sell the Certificates or its County with respect to the County Resolution or the County Agreements, (E) in any way contesting or affecting any of the rights, powers, duties or obligations of the County with respect to the money or property pledged or to be pledged under the Trust Agreement, the Lease Agreement or the Ground Lease, or (F) in any way questioning the accuracy of the statements in the Official Statement.

(xi) The execution and delivery by the County of the County Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the County is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound in a manner which would materially adversely affect the County's performance under the County Agreements.

(xii) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the County of its obligations under the County Agreements have been obtained and are in full force and effect.

(xiii) Nothing has come to the attention of the County Counsel which has led the County Counsel to believe that the Official Statement (excluding therefrom the financial and statistical data, information regarding compliance with continuing disclosure obligations of the Corporation and its related entities, forecasts included therein and information about The Depository Trust Company or information provided by the Underwriter, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(8) A letter of Kutak Rock LLP (“**Underwriter’s Counsel**”), addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(9) Executed Rule 15c2-12 certificate of the County, dated as of the date of the Preliminary Official Statement.

(10) An executed closing certificate of the County, dated as of the Closing, in the form attached as Exhibit C.

(11) An executed closing certificate of the Corporation, dated as of the Closing, in the form attached as Exhibit D.

(12) Executed certificate of the Corporation, dated the Closing Date in the form attached as Exhibit I.

(13) The opinion of counsel of the Trustee dated as of the Closing, addressed to the County, the Corporation and the Underwriter to the effect that:

(i) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the State, having full powers and County and being qualified to enter into, accept and administer the trust created under the Trust Agreement, and to enter into the Trust Agreement and the Assignment Agreement.

(ii) The Trust Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Trustee, and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement and the Assignment Agreement constitute legal, valid and binding agreements of the Trustee enforceable in accordance with their terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable principles if equitable remedies are sought.

(14) A certificate of the Trustee dated as of the Closing, in the form attached as Exhibit E.

(15) A tax certificate relating to the Certificates duly signed on behalf of the County in form and substance acceptable to Special Counsel and the Underwriter.

(16) Evidence of required filings with the California Debt and Investment Advisory Commission.

(17) Evidence of one or more of the CLTA title insurance policies required under the Lease Agreement for the Property.

(18) [An opinion of the Certificate Insurer, dated the Closing Date and addressed to the County, the Trustee and the Underwriter, in form and substance satisfactory to Special Counsel and the Underwriter.

(19) A copy of the Insurance Policy issued by the Certificate Insurer, which policy guarantees the payment when due of the principal and interest evidenced by the Certificates, as described in the Official Statement.

(20) A copy of the Reserve Policy issued by the Reserve Insurer, which policy will be in an amount no less than the Reserve Requirement as of the Closing Date.

(21) A certificate of the Certificate Insurer, dated the Closing Date, signed by an authorized officer thereof as to such matters as the Underwriter may reasonably request.

(22) A certificate of the Reserve Insurer, dated the Closing Date, signed by an authorized officer thereof as to such matters as the Underwriter may reasonably request.]

(23) A copy of the Certificate of Status issued by the Secretary of State of the State of California, a certified copy of the articles of incorporation of the Corporation, and a certified copy of the Bylaws of the Corporation.

(24) A copy of the executed Blanket County Letter of Representations by and between the County and DTC relating to the book-entry system.

(25) Evidence that the Certificates have received the rating set forth on the cover of the Official Statement.

(26) A certificate of KNN Public Finance, LLC, the Corporation's municipal advisor, in the form and substance attached hereto as Exhibit F.

(27) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Special Counsel may reasonably request to evidence compliance by the County, the Corporation, the Trustee [and the Certificate Insurer] with legal requirements, the truth and accuracy, as of the date of the Closing, of the representations of the County, the Corporation, the Trustee [and the Certificate Insurer] herein contained and of the Official Statement and the due performance or satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County, the Corporation, the Trustee [and the Certificate Insurer].

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract will be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Underwriter. If the County is unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates contained in this Purchase Contract or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates will be terminated for any reason permitted by this Purchase Contract, this Purchase Contract will terminate and neither the Underwriter nor the County will be under further obligations hereunder, except that the respective obligations of the County and the Underwriter set forth in Section 10 of this Purchase Contract will continue in full force and effect.

Section 7. Conditions to County's Obligations. The performance by the County of its obligations under this Purchase Contract are conditioned upon: (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the County of opinions addressed to the County, and receipt by the Underwriter of opinions addressed to the Underwriter, and the delivery of certificates being delivered on the date of the Closing by persons and entities other than the County.

Section 8. Termination Events. The Underwriter will have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Certificates by notifying the County of its election to do so if in writing, after the execution hereof and prior to the Closing, any of the following events occurs:

(1) the marketability of the Certificates or the market price thereof or the ability of the Underwriter to enforce contracts for the sale of the Certificates, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the County or the Corporation, its property or income, its bonds (including the Certificates) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended;

(2) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the marketability of the Certificates or the market price thereof or the ability of the Underwriter to enforce contracts for the sale of the Certificates;

(3) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities;

(4) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the issuance, offering or sale of the Certificates is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(5) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the Certificates are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(6) in the reasonable judgment of the Underwriter, the market price of the Certificates, or the market price generally of obligations of the general character of the Certificates, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(7) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Certificates or obligations of the general character of the Certificates, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(8) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental entity having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Certificates, or the execution, delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as then in effect;

(9) the occurrence of any adverse change of a material nature of the financial condition, results of operation or properties of the County;

(10) the suspension by the Securities and Exchange Commission of trading in the outstanding securities of the County;

(11) a material disruption in securities settlement, payment or clearance services affecting the Certificates shall have occurred;

(12) any legislation, ordinance, rule or regulation is introduced in or be enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the County, materially adversely affects the market price of the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Certificates;

(13) any federal or California court, authority or regulatory body takes action materially and adversely affecting the collection of Base Rental Payments under the Lease Agreement for application as set forth in the Trust Agreement;

(14) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the County or the Corporation by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the marketability or market price of the Certificates or the ability of the Underwriter to enforce contracts for the sale of the Certificates; or

(15) any rating of the Certificate Insurer has been downgraded, suspended or withdrawn by a national rating service or a negative qualification (e.g., “credit watch” or “negative outlook” designation) or other announcement made by a national rating service that the Certificate Insurer is under review without indication of a potentially favorable result, which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Certificates

(16) the purchase of and payment for the Certificates by the Underwriter, or the resale of the Certificates by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(17) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Certificates as described herein, or issued a stop order or similar ruling relating thereto;

(18) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the County or its property, income securities (or interest thereon);

(19) the marketability of the Certificates or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets;

(20) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than any information relating to the Underwriter).

Section 9. Establishment of Issue Price.

The Underwriter agrees to make an initial public offering of all of the Certificates at the public offering prices (or yields) set forth on Exhibit G attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Certificates, provided that the Underwriter shall not change the interest

rates set forth on Exhibit G. The Certificates may be offered and sold to certain dealers at prices lower than such initial public offering prices.

The Underwriter agrees to assist the County in establishing the issue price of the Certificates and shall execute and deliver to the County at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit H, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the County and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates. All actions to be taken by the County under this Section to establish the issue price of the Certificates may be taken on behalf of the County by the County’s municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County’s municipal advisor. Certain terms used in this Section are defined below.

[Except as otherwise set forth in Exhibit G attached hereto,] the County will treat the first price at which 10% of each maturity of the Certificates (the “**10% Test**”), identified under the column “10% Test Used” in Exhibit G, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the County the price or prices at which it has sold to the public each maturity of Certificates. [If at that time the 10% Test has not been satisfied as to any maturity of the Certificates,] the Underwriter agrees to promptly report to the County the prices at which it sells the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit G attached hereto, except as otherwise set forth therein. Exhibit G also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Certificates for which the 10% Test has not been satisfied and for which the County and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the County when it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (1) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% Test has been satisfied as to the applicable Certificates of that maturity or all such Certificates of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The County acknowledges that, in making the representation set forth in this paragraph, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires.

The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),
- (iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the

other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

Section 10. Payment of Expenses. The Underwriter will be under no obligation to pay, and the County will pay the following expenses incident to the performance of the County’s obligations hereunder:

(i) the cost of printing and delivering the Certificates, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Section 3 of this Purchase Contract);

(ii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the County or the Corporation; and

(iii) any other expenses and costs incurred by the County incident to the performance of its obligations in connection with the authorization, issuance and sale of the Certificates, including out of pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The Corporation and the County will be under no obligation to pay, and the Underwriter will pay, any fees of the California Debt and Investment Advisory Commission, the cost of obtaining CUSIP numbers, the cost of preparation of any “blue sky” or legal investment memoranda and this Purchase Contract; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Certificates (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of Underwriter’s Counsel and any advertising expenses. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter’s discount.

Section 11. Notices. Any notice or other communication to be given to the County or the Corporation under this Purchase Contract may be given by delivering the same in writing to the County at the addresses set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Brandis Tallman LLC, 22 Battery St., Suite 500, San Francisco, California 94111 Attention: Richard Brandis.

Section 12. Survival of Representations, Warranties, Agreements. All of the County’s representations, warranties and agreements contained in this Purchase Contract will remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Certificates pursuant to this Purchase Contract. The agreements contained in this Section and in Section 10 will survive any termination of this Purchase Contract.

Section 13. Benefit; No Assignment. This Purchase Contract is made solely for the benefit of the County, the Corporation and the Underwriter (including its successors and assigns), and no other person will acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Contract are not subject to assignment by the Underwriter, the County or the Corporation without the prior written consent of the other parties hereto.

Section 14. Severability. In the event that any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Purchase Contract.

Section 15. Counterparts. This Purchase Contract may be executed in any number of counterparts, all of which taken together will constitute one agreement, and any of the parties hereto may execute the Purchase Contract by signing any such counterpart.

Section 16. Governing Law. This Purchase Contract will be governed by the laws of the State of California.

Section 17. Effectiveness. This Purchase Contract will become effective upon the execution of the acceptance hereof by an authorized officer of the County, and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

BRANDIS TALLMAN LLC, as Underwriter

By: _____
Authorized Representative

Accepted:

MONO COUNTY

By: _____
Authorized Representative

Time of Execution: ____ Pacific Time

EXHIBIT A
TERMS OF CERTIFICATES

\$[_____] **MONO COUNTY**
CERTIFICATES OF PARTICIPATION
2018 SERIES A
(MONO COUNTY CIVIC CENTER)

Principal Payment Date ([_____] 1)	Principal	Interest Rate	Yield
	\$	%	

EXHIBIT B

PREPAYMENT PROVISIONS OF THE CERTIFICATES

Optional Prepayment. The Certificates maturing on or before ___1, 20___ are not subject to optional prepayment prior to their stated Principal Payment Dates. The Certificates maturing on and after ___1, 20___ are subject to optional prepayment prior to their stated Principal Payment Dates on any date on or after ___1, 20___, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement from any source of available funds, any such prepayment to be at a price equal to the principal evidenced by the Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Extraordinary Prepayment. The Certificates are subject to extraordinary prepayment on any date prior to their stated Principal Payment Dates, in whole or in part, in Authorized Denominations, from and to the extent of any insurance proceeds or condemnation award paid with respect to all or a portion of the Property remaining after payment therefrom of all reasonable expenses incurred in the collection thereof (the "Net Proceeds") received with respect to all or a portion of the Property and deposited by the Trustee in the Prepayment Fund in accordance with the Trust Agreement, at a prepayment price equal to the principal evidenced by the Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates are to be prepaid on any one date, the Trustee will select the Certificates to be prepaid (a) with respect to any extraordinary prepayment of Certificates, among Certificates with different stated Principal Payment Dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such Certificates are abated pursuant to the Lease Agreement, and (b) with respect to any optional prepayment of Certificates, as directed in a Written Request of the County, and by lot among Certificates with the same stated Principal Payment Date in any manner that the Trustee deems fair and appropriate, which decision will be final and binding upon the County, the Corporation and the Owners.

Mandatory Sinking Fund Prepayment. The Certificates maturing ___1, 20___ are subject to mandatory prepayment prior to their maturity at a Prepayment Price equal to the principal amount to be redeemed plus accrued interest thereon to the prepayment date on ___1, 20___ in the principal amounts and on the scheduled mandatory prepayment dates as follows:

Term Certificate Maturing ___1, 20___

Date ([_____] 1)	Sinking Fund Prepayment Amount \$
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(maturity)

EXHIBIT C

\$_[]
MONO COUNTY
CERTIFICATES OF PARTICIPATION
2018 SERIES A
(MONO COUNTY CIVIC CENTER)

CLOSING CERTIFICATE OF THE COUNTY

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of Mono County (the "County"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the County as follows:

(a) The representations, warranties and covenants of the County contained in the Certificate Purchase Agreement dated [December 5], 2018, between the County and Brandis Tallman LLC, as underwriter (the "Purchase Contract"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(b) The County Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented, except as agreed to by the County and the Underwriter.

(c) The County has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the County Agreements on or prior to the date of the Closing and the County Agreements are in full force and effect.

(d) No event affecting the County has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date the statements or information (except for statements and information regarding DTC, the Certificate Insurer, Insurance Policy, the Reserve Insurer or the Reserve Policy) contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information (except for statements and information regarding DTC, the Certificate Insurer, the Insurance Policy, the Reserve Insurer or the Reserve Policy) therein not misleading in any material respect.

Capitalized terms used but not defined herein have the meanings given such terms in the Certificate Purchase Agreement.

Dated: December __, 2018.

MONO COUNTY

By: _____
Authorized Officer

EXHIBIT D

**§[_____] MONO COUNTY
CERTIFICATES OF PARTICIPATION 2018 SERIES A
(MONO COUNTY CIVIC CENTER)**

CLOSING CERTIFICATE OF THE CORPORATION

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the County of Mono Economic Development Corporation (the “Corporation”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Corporation as follows:

(a) The representations, warranties and covenants of the Corporation contained in the Certificate Purchase Agreement dated [December 5], 2018, between the County and Brandis Tallman LLC, as underwriter (the “Purchase Contract”) are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(b) The Corporation Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented, except as agreed to by the Corporation and the Underwriter.

(c) The Corporation has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(d) Subsequent to the date of the Official Statement and on or prior to the date of this certificate, there has been no material adverse change in the condition (financial or otherwise) of the Corporation, whether or not arising in the ordinary course of operations, from that described in the Official Statement.

Capitalized terms used but not defined herein have the meanings given in the Purchase Contract.

Dated: December __, 2018.

**COUNTY OF MONO ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Authorized Officer

EXHIBIT E

§[]

MONO COUNTY

**CERTIFICATES OF PARTICIPATION 2018 SERIES A
(MONO COUNTY CIVIC CENTER)**

CLOSING CERTIFICATE OF THE TRUSTEE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of U.S. Bank National Association (the “Trustee”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Trustee as follows:

(a) The Trustee has all necessary power to enter into the Master Trust Agreement, dated as of December 1, 2018 (the “Trust Agreement”) by and among the County, the Corporation and the Trustee, the Assignment Agreement, dated as of December 1, 2018 (the “Assignment Agreement”) by and between the Corporation and the Trustee, and

(b) The Trust Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Trustee and the Trust Agreement, the Assignment Agreement constitute the legal, valid and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought;

(c) No consent, approval, authorization or other action by any governmental or regulatory County having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Trustee or the performance by the Trustee of its duties and obligations under the Trust Agreement and the Assignment Agreement;

(d) The execution and delivery by the Trustee of the Trust Agreement and the Assignment Agreement and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, Trust Agreement, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations); and

(e) There is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or to the best knowledge of the Trustee, threatened against the Trustee which, in the reasonable judgment of the Trustee, would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trust Agreement or the Assignment Agreement, or contesting the powers of the Trustee or its County to enter into and perform its obligations thereunder.

Capitalized terms used but not defined herein have the meanings given such terms in the Purchase Contract.

Dated: December __, 2018.

U.S. BANK NATIONAL ASSOCIATION,
as trustee

By: _____
Authorized Officer

EXHIBIT F

\$_[]
MONO COUNTY
CERTIFICATES OF PARTICIPATION 2018 SERIES A
(MONO COUNTY CIVIC CENTER)

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned hereby states and certifies:

(i) that the undersigned is an authorized officer of KNN Public Finance, LLC (the “Municipal Advisor”), which has acted as municipal advisor to Mono County (the “County”) in connection with the issuance of the above-referenced certificates (the “Certificates”), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) that the Municipal Advisor has participated in the preparation of the Preliminary Official Statement dated [November 26], 2018 and the final Official Statement dated [December 5], 2018 (the “Official Statement”) relating to the Certificates; and

(iii) that nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated December __, 2018.

KNN PUBLIC FINANCE, LLC,
as Municipal Advisor

By: _____
Authorized Officer

EXHIBIT G

\$_[]

**MONO COUNTY
CERTIFICATES OF PARTICIPATION 2018 SERIES A
(MONO COUNTY CIVIC CENTER)**

[why not make this Exhibit A?]

MATURITY SCHEDULE

<i>Maturity Date ([] / 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>[10% Test Satisfied</i>	<i>10% Test Not Satisfied</i>	<i>Subject to Hold- The- Offering Price Rule]</i>
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EXHIBIT H

\$_[]

MONO COUNTY

CERTIFICATES OF PARTICIPATION 2018 SERIES A (MONO COUNTY CIVIC CENTER)

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Brandis Tallman LLC (“Brandis Tallman”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned certificates (the “Certificates”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Issuer* means Mono County, California.

(c) *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Brandis Tallman’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the

Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Corporation with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Certificates, and by Nixon Peabody LLP, in connection with rendering its opinion that the interest on the Certificates, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

BRANDIS TALLMAN LLC, as Underwriter

By: _____
Authorized Officer

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

(Attached)

EXHIBIT I

LETTER OF REPRESENTATIONS OF THE COUNTY OF MONO ECONOMIC DEVELOPMENT CORPORATION

[Dated the Closing Date]

Brandis Tallman LLC
22 Battery St., Suite 500
San Francisco, California 94111

Ladies and Gentlemen:

The County of Mono, California (the “County”) proposes to cause the execution and delivery of \$[] Mono County Certificates of Participation 2018 Series A (Mono County Civic Center) (the “Certificates”). The Certificates will be dated their date of delivery.

The Certificates will be executed and delivered pursuant to a Master Trust Agreement, dated as of December 1, 2018 (the “Trust Agreement”), by and among U.S. Bank National Association, as trustee (the “Trustee”), the County of Mono Economic Development Corporation (the “Corporation”), and the County. The Certificates will represent direct, undivided fractional interests in certain rental payments (the “Base Rental Payments”) to be made by the County pursuant to a Lease Agreement dated as of December 1, 2018 (the “Lease Agreement”), by and between the County and the Corporation. Pursuant to the Lease Agreement, the County will pay the Base Rental Payments in consideration for use and occupancy of certain real property owned by the County (the “Property”), which the County will initially lease to the Corporation pursuant to a Ground Lease, dated as of December 1, 2018 (the “Ground Lease”), by and between the County and the Corporation and sublease back from the Corporation, pursuant to the Lease Agreement. Pursuant to an Assignment Agreement, dated as of December 1, 2018 (the “Assignment Agreement”) by and between the Corporation and the Trustee, the Corporation will assign to the Trustee, for the benefit of the owners of the Certificates, all of its right, title and interest in and to the Lease Agreement, including the right to receive Base Rental Payments and Additional Rental Payments under the Lease Agreement.

The Trust Agreement, the Ground Lease, the Lease Agreement, the Assignment Agreement and this Letter of Representations are referred to collectively herein as the “Corporation Legal Documents.” Capitalized terms not otherwise defined herein shall have the meanings as defined in the Trust Agreement.

The Certificates are being sold by the County pursuant to the Certificate Purchase Agreement between the County and Brandis Tallman LLC (the “Underwriter”) dated the date hereof (the “Certificate Purchase Agreement”). The Certificates shall be payable and shall be subject to prepayment and purchase as provided in the Trust Agreement.

The Corporation acknowledges and agrees that: (1) the purchase and sale of the Certificates pursuant to the Purchase Agreement is an arm’s-length commercial transaction between the County and the Underwriter; (2) in connection therewith and with the discussions, conferences, negotiations and undertakings leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and are not acting as an agent, municipal advisor, financial advisor or fiduciary in favor of the Corporation; (3) the Underwriter has not

assumed an advisory or fiduciary responsibility in favor of the Corporation with respect to the offering contemplated hereby or the discussions, negotiations and undertakings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Corporation on other matters) and the Underwriter has no obligation to the Corporation with respect to the offering contemplated hereby except the obligations expressly set forth in the Purchase Agreement or imposed by law; (4) it has consulted its own legal, accounting, tax, financial and other advisors to the extent it has deemed appropriate; and (5) the Purchase Agreement expresses the entire relationship between the parties hereto with respect to the transaction contemplated therein.

To facilitate and induce you to purchase the Certificates as contemplated therein, the Corporation hereby represents, warrants and agrees with you as follows:

(a) The Corporation is a nonprofit public benefit corporation pursuant to the Nonprofit Public Corporation Law of the State of California (the “State”) and has all necessary power and authority to adopt its resolution adopted on [November 13], 2018 (the “Corporation Resolution”), to enter into and perform its duties under the Corporation Agreements and, when executed and delivered by the respective parties thereto, the Corporation Agreements will each constitute legal, valid and binding obligation of the Corporation enforceable in accordance with its respective terms.

(b) The Board of Directors (the “Corporation Board”) of the Corporation has taken official action by conducting a public hearing and adopting the Corporation Resolution by a majority of the members of the Corporation Board at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the Corporation Agreements and the execution and delivery of the Official Statement and the taking of any and all such action as may be required on the part of the Corporation to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the Corporation has duly adopted the Corporation Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Corporation Agreements, and the consummation by it of all other transactions contemplated by the Corporation Resolution, the Corporation Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by their respective parties, the Corporation Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Corporation, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the Corporation’s acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Official

Statement (other than CUSIP numbers, statements under the headings “TAX MATTERS” and “APPENDIX E,” any information concerning the Depository Trust Company and the book-entry system for the Certificates and information provided by the Underwriter as to which no view is expressed) do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, other than as disclosed in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the Corporation or, to the best knowledge of the Corporation, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the Corporation, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of Corporation Agreements or the Certificates, or (iii) in any way question or affect the transactions contemplated by the Corporation Agreements, the Official Statement, or any other agreement or instrument to which the Corporation is a party relating to the Certificates.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory County having jurisdiction over the Corporation required for the execution and delivery of this Purchase Contract or the consummation by the Corporation of the other transactions contemplated by the Official Statement or the Corporation Agreements.

(g) Any certificate signed by any official of the Corporation authorized to do so will be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein.

(h) Except as previously disclosed to the Underwriter, the Corporation is not in default, and at no time has the Corporation defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i) Except as disclosed in the Official Statement, there has not been any materially adverse change in the financial condition of the Corporation since June 30, 2017, and there has been no occurrence or circumstance or combination thereof that is reasonably expected to result in any such materially adverse change.

(j) If between the date of this Purchase Contract and the date which is 25 days following the End of the Underwriting Period (as defined above), any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Corporation will immediately notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter.

(k) Except as disclosed in the Official Statement, the Corporation has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 in the past five years.

(l) The Corporation does not need the consent of its auditor to include its comprehensive annual financial report for the fiscal year ended June 30, 2017 as an appendix to the Official Statement.

(m) The Corporation covenants with the Underwriter that the Corporation will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Certificates for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the Corporation shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The Corporation consents to the use by the Underwriter of the Corporation Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Certificates.

This Letter of Representations, upon the execution hereof by a duly authorized officer of the Corporation, shall be valid and enforceable as of the time of such execution.

Very truly yours,

COUNTY OF MONO ECONOMIC DEVELOPMENT
CORPORATION

By: _____
Authorized Representative