
INDEX TO LEGAL DOCUMENTS
APPROPRIATION-BASED, ESCROW FUNDED
EQUIPMENT LEASE-PURCHASE AGREEMENT (SOLAR CREBS)

DATED _____, 2017 BY AND BETWEEN

HOLMAN CAPITAL CORPORATION
AND
CITY OF RIALTO

Lease Documents:

Tab 1:	Equipment Lease-Purchase Agreement;
Tab 2:	Exhibit A – Equipment Schedule;
Tab 3:	Exhibit B – Notice and Acknowledgment of Assignment;
Tab 4:	Exhibit C-1 – Insurance Coverage Request;
Tab 5:	Exhibit C-2 – Self-Insurance Evidence;
Tab 6:	Exhibit D – Essential Use Certificate;
Tab 7:	Exhibit E – Incumbency Certificate;
Tab 8:	Exhibit F – Opinion of Lessee’s Counsel;
Tab 9:	Exhibit G – (reserved);
Tab 10:	Exhibit H – Federal Tax Certificate
Tab 11:	Exhibit I – Escrow Agreement;
Tab 12:	Exhibit J – Assignee Letter;
Tab 13:	Resolution of Lessee;
Tab 14:	Minutes of Lessee Adopting Bond Resolution
Tab 15:	CDIAC Debt Issuance Filing (done by Lessee)
Tab 16:	New Clean Renewable Energy Bond (“CREB”) Application
Tab 17:	CREB Allocation
Tab 18:	Binding Commitment
Tab 19:	UCC-1 Financing Statement with attached Schedule A (prepared and filed by Investor);
Tab 20:	Form 8038-TC (prepared by HCC Counsel);
Tab 21:	Closing Memorandum/Payment Proceeds Direction; and
Tab 22:	Vendor Contract & Payment Bond, if and as applicable
[Tab 23	Escrow Fund Account Control Agreement]
Tab 24:	Legal Opinion

Assignment Documents (Lessor and Investor Only):

Tab 25:	Assignment Agreement with Schedule A thereto.
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HOLMAN CAPITAL



CORPORATION

EQUIPMENT LEASE-PURCHASE AGREEMENT

1. **Agreement.** Subject to the terms and conditions contained in this Equipment Lease-Purchase Agreement dated _____, 2017 (this "Lease Agreement"), HOLMAN CAPITAL CORPORATION, as lessor ("Lessor"), whose mailing address is 25201 Paseo de Alicia, Suite 290, Laguna Hills, CA 92653, hereby leases to CITY OF RIALTO, as lessee ("Lessee"), whose mailing address is 150 S. Palm Avenue, Rialto, CA 92376, and Lessee hereby agrees to lease from Lessor, the items of personal property (together with any replacement parts, additions, substitutions, repairs or accessories now or hereafter incorporated in or affixed to it, hereinafter referred to collectively as the "Equipment") described in Exhibit A attached hereto.

2. **Term.** The term of this Lease Agreement (the "Lease Term") begins as of the Commencement Date stated in Exhibit A and shall continue so long as any amounts remain unpaid hereunder. The Lease Term will terminate upon the first to occur of: (a) the exercise by Lessee of the option to purchase the Equipment pursuant to Paragraph 10, (b) Lessor's election to terminate this Lease Agreement pursuant to Paragraph 16, (c) Lessee's option to terminate this Lease Agreement pursuant to an "Event of Nonappropriation" as defined in Section 3, and (d) the payment by Lessee of all sums required to be paid by Lessee hereunder.

2.5. **Escrow Agreement.** On the Commencement Date, Lessor and Lessee shall enter into the escrow agreement (the "Escrow Agreement") dated the Commencement Date, between Lessor, Lessee, and Mega Bank, as escrow agent, relating to the escrow fund (the "Escrow Fund") created thereunder. On the Commencement Date, Lessor shall deposit: \$_____ into the Escrow Fund to be held in escrow and applied upon the express terms and conditions of the Escrow Agreement; for the acquisition of the equipment as provided for in the Closing Memorandum of even date herewith.

3. **Rental Payments.** Lessee agrees to pay the rental payments hereunder for the Lease Term in the amounts and on the dates identified in Exhibit A. Payment of all rental payments and other amounts payable hereunder shall be made to Lessor at its above-stated address or as it shall otherwise designate in writing. As set forth in Exhibit A, a portion of each rental payment is paid as, and represents payment of, interest, and the balance of each rental payment is paid as, and represents payment of, principal.

Notwithstanding any provision to the contrary in this Lease Agreement, Lessee may terminate this Lease Agreement at the end of any fiscal year of Lessee as identified in Exhibit A (a "Fiscal Year") if sufficient funds are not appropriated by Lessee's Governing Board to pay rental payments and other amounts due hereunder during the next succeeding Fiscal Year (an "Event of Nonappropriation"). Lessee hereby agrees to notify Lessor at least 30 days prior to the last day of its then current Fiscal Year of the occurrence of an Event of Nonappropriation or, if nonappropriation has not occurred by that date, promptly upon the occurrence of an Event of Nonappropriation.

Lessee represents and warrants that: (a) it has made sufficient appropriations or has other legally available funds to pay all rental payments hereunder due during the first Fiscal Year hereunder; (b) the officer of Lessee responsible for budget preparation will do all things lawfully within his/her power to obtain appropriated funds for the payment of rental payments and other amounts required to be paid hereunder in each next succeeding Fiscal Year for the Lease Term with the understanding that any such appropriation is within the sole discretion of the Lessee's Governing Board; and (c) Lessee acknowledges that Lessor has relied upon these representations as an inducement to enter into this Lease Agreement. If an Event of Nonappropriation hereunder shall occur, Lessee agrees, at Lessee's sole cost and expense, peaceably to deliver the corresponding Equipment to Lessor to a location within a fifty mile radius of the above stated address within the continental United States as is specified by Lessor, in the condition required by Paragraph 7 of this Lease Agreement, on or before the effective date of termination. Lessee's obligation to pay rental payments and any additional amounts payable hereunder Lessee's obligation to pay rental payments and any additional amounts payable under the Lease Agreement constitutes a current obligation payable exclusively from legally available funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement.

Subject to Paragraph 3 of this Lease Agreement, Lessee's present intention is to make rental payments for the Lease Term as long as it has sufficient appropriations or, if any/applicable, other legally available funds.

4. **Essentiality.** Lessee represents that, with respect to this Lease Agreement, (a) the use and operation of the Equipment is essential to its proper, efficient and economic governmental operation and (b) the functions performed by the Equipment could not be transferred to other equipment available for its use; provided that the

foregoing is subject to the parties' acknowledgment and understanding that certain items of Equipment are not a necessary condition precedent to providing government services and could be replaced/not used should the Lessee cease to offer the use of such items of Equipment at the respective Lessee facilities for its employees and the public. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last rental payment scheduled to be paid hereunder. On the Commencement Date, Lessee shall complete and provide Lessor a certificate in form of Exhibit D.

4.5. Consideration. For each Fiscal Year (as defined in Exhibit A) or portion thereof during the Lease Term, rental payments and other amounts payable under the Lease Agreement shall be paid by Lessee for and in consideration of the right of use and possession, and the continued quiet use and enjoyment, of the Equipment by Lessee for and during such Fiscal Year or portion thereof. Lessor and Lessee have agreed and determined that such rental payments and other amounts payable under the Lease Agreement are not in excess of the total fair rental value of the Equipment hereunder. In making such determination, consideration has been given to the cost of acquiring and financing the Equipment, the uses and purposes served by the Equipment and the benefits therefrom that will accrue to the parties by reason of the Lease and to the general public by reason of Lessee's use of the Equipment.

5. Disclaimer of Warranties. **LESSEE REPRESENTS THAT IT HAS SELECTED THE EQUIPMENT PRIOR TO HAVING REQUESTED LESSOR TO FINANCE THE SAME. LESSEE AGREES THAT LESSOR HAS NOT MADE ANY, AND MAKES NO, REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING (WITHOUT LIMITATION) THE SUITABILITY OF THE EQUIPMENT, ITS DURABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, ITS MERCHANTABILITY, ITS CONDITION, ITS CAPACITY, ITS OPERATION, ITS PERFORMANCE, ITS DESIGN, ITS MATERIALS, ITS WORKMANSHIP AND/OR ITS QUALITY. AS BETWEEN LESSEE AND LESSOR, LESSEE LEASES, PURCHASES AND ACQUIRES THE EQUIPMENT "AS IS" "WHERE IS" AND "WITH ALL FAULTS."** Lessor hereby assigns to Lessee, to the extent that it may lawfully do so, so long as no Event of Default and no Event of Nonappropriation shall have occurred and be continuing hereunder, all rights and benefits that Lessor may have under any warranty, guaranty or the like that may be made with respect to the Equipment by the manufacturer, seller and/or supplier (collectively, the "Vendor") thereof. Lessor shall not be liable to Lessee or any third party for any loss, damage, injury or expense of any kind or nature caused directly or indirectly by any of the Equipment or the use or maintenance thereof or any defect therein, the failure of operation thereof or by any interruption of service or loss of use thereof or for any loss of business or damage whatsoever and howsoever caused. Lessor makes no warranty as to the treatment of this Lease Agreement for tax or accounting purposes or as to the compliance of the Equipment with applicable government regulations or requirements. Lessee agrees to look solely to the Vendor for any claim arising from any defect, breach of warranty, failure or delay in delivery, mis-delivery or inability to use the Equipment for any reason whatsoever and Lessee's obligations to Lessor hereunder shall not in any manner be affected thereby, including (without limitation) Lessee's obligations to pay Lessor all rental payments and other amounts payable hereunder. Lessee has selected both the Equipment and the Vendor and acknowledges that Lessor has not participated in any way in Lessee's selection of the Equipment or the Vendor. Lessor has no obligation to install, erect, test, adjust, service or maintain the Equipment.

6. Delivery and Acceptance; Quiet Enjoyment. For purposes of this Lease Agreement, Lessee shall be deemed to have accepted the Equipment for which disbursement is requested from the Escrow Fund upon its delivery and authorizes Lessor to insert on the Equipment Schedule (Exhibit A hereto) the serial numbers and any additional description of the items of Equipment so delivered. As evidence of that acceptance, Lessee shall execute and deliver to Lessor a Certificate of Acceptance in the form attached as Exhibit A to the Escrow Agreement. Regardless of whether Lessee has furnished a Certificate of Acceptance pursuant to this Paragraph 6, by making a rental payment after its receipt of the Equipment, Lessee shall be deemed to have accepted the Equipment for the purposes of this Lease Agreement on the date of such rental payment for purposes hereof. During the Lease Term, Lessee shall be entitled to quiet enjoyment of the Equipment identified therein, subject to the terms of this Lease Agreement. Notwithstanding the foregoing, Lessor acknowledges that under each contract with the Vendors, Lessee may retain a percentage (expected to be five percent) of each disbursement (the "Retention") to Vendors until the completion of the contract; therefore, it is agreed that the final Certificate of Acceptance and Payment Request may be made for the payment of the release of the Retention Amount without any conflict with the provisions hereof.

7. Use of Equipment; Maintenance and Repairs. Lessee shall keep the Equipment within the State at the "Equipment Location" stated in Exhibit A and Lessee shall not remove any of the Equipment therefrom without Lessor's prior written consent. Lessee shall use the Equipment in a careful manner and shall at all times, at its sole

expense, keep the Equipment in good operating condition, repair and appearance and comply with all laws, ordinances, regulations or requirements of any governmental authority, official, board or department relating to its installation, possession, use or maintenance. Lessee shall not make any alterations, additions, or improvements to the Equipment that are not readily removable without causing damage to or reducing the value of the Equipment. All alterations, additions, or improvements not readily removable shall become property of the Lessor.

8. Security Interest; Title to Equipment. During the Lease Term, title to the Equipment shall be vested in Lessee, subject to the rights of Lessor under such Lease. If Lessor terminates this Lease Agreement pursuant to Paragraph 16, title to the Equipment shall immediately vest in Lessor free and clear of any right, title or interest of Lessee. Lessee, at its expense, will protect and defend Lessee's rights to the Equipment and Lessor's rights and interests therein and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and other persons. Lessor shall have the right during normal hours, upon reasonable prior notice to Lessee and subject to applicable public safety restrictions, to enter upon the premises where the Equipment is located in order to inspect the Equipment.

To secure the performance of all of Lessee's obligations hereunder, Lessee hereby grants to Lessor, and Lessor shall have and retain, a security interest constituting a first position, priority lien on the Equipment delivered under this Lease Agreement and on any proceeds therefrom. Lessee agrees to execute and deliver such additional documents, including, without limitation, opinions of counsel, notices and similar instruments, in form satisfactory to Lessor, that Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment or for the confirmation or perfection of the Lease and Lessor's rights thereunder. As further security therefor, subject to the rights of the Lessee under the Escrow Agreement, Lessee hereby grants to Lessor a first priority security interest in the cash and negotiable instruments from time to time in the Escrow Fund and all proceeds (cash and non-cash) thereof; and agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party under the applicable Uniform Commercial Code.

9. Personal Property. The Equipment shall be and remain personal property notwithstanding the manner in which it may be attached or affixed to realty. Lessee covenants that, unless Lessee owns the premises in which the Equipment is to be located and such premises are not subject to any mortgage or lease, at Lessor's request, Lessee shall provide Lessor with a waiver from each landlord and/or mortgagee of the premises in which the Equipment is to be located of any rights that such landlord and/or mortgagee may have in respect of any of the Equipment. Lessee will also provide any information as may be reasonably requested by Lessor with respect to any fixture filings that Lessor may deem necessary.

10. Purchase of Equipment by Lessee; Prepayment. At the option of Lessee, and provided that no Event of Default has occurred and is continuing hereunder, Lessor's interest in all, but not less than all, of the Equipment will be transferred, conveyed and assigned to Lessee, and this Lease Agreement shall terminate: (a) upon payment in full of the rental payments and all other payments then due hereunder or (b) on any rental payment date hereunder, provided Lessee shall have delivered written notice at least 30 days prior to such date of Lessee's intention to purchase the Equipment subject to this Lease Agreement pursuant to this provision, by paying to Lessor, in addition to the rental payment due on such date, an amount equal to the concluding payment (the "Concluding Payment") shown for such rental payment date in the rental payment schedule in Exhibit A. Lessee shall not have the option to purchase the Equipment hereunder as provided in the foregoing clause (b) on any rental payment date hereunder for which a Concluding Payment is not stated in the rental payment schedule. In addition, despite Lessee's expectation at the Commencement Date, if Lessee determines not to proceed with the acquisition of any portion of the Equipment listed in the Exhibit A or Lessee has otherwise completed its acquisition of the Equipment and, at that time, there is money remaining in the Escrow Fund (the "Escrow Balance"), then the Escrow Balance shall be used in accordance with Section 5(c) of the Escrow Agreement, including, at Lessee's option, application toward a partial prepayment ("Partial Prepayment") of rental payments hereunder. In such an event, the Escrow Balance will be applied to prepay a portion of the principal component, plus a premium equal to 4.00% of the prepaid principal component, plus the accrued and unpaid interest component corresponding to the prepaid principal. In the event of a Partial Prepayment, Lessor and Lessee shall cooperate to amend the Equipment Schedule and the Rental Payment Schedule in Exhibit A accordingly.

Provided, however, if by the end of the Expenditure Period (as such term is defined in the Federal Tax Certificate), Lessee has acquired the Equipment listed in the Exhibit A pursuant to the terms of this Lease and the expectations of the parties, then this section 10 shall not apply to any prepayment made by the City with excess proceeds held in the Escrow Fund as a remedial action necessary to comply with paragraph 12 of the Federal Tax

Certificate. Such prepayments shall be made at par and without penalty or premium. Upon such prepayment, the Lessor shall provide a revised Rental Payment Schedule in Exhibit A.

11. Risk of Loss. Lessee shall bear the entire risk of loss, theft, destruction of or damage to the Equipment or any part thereof from any cause whatsoever during the Lease Term and thereafter until redelivery to a location designated by Lessor, and shall not be relieved of the obligation to pay rental payments or any other obligation hereunder because of any such occurrence. If (a) the Equipment or any portion thereof hereunder is destroyed (in whole or in part) or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof hereunder is taken under the exercise of the power of eminent domain, Lessee shall immediately notify Lessor. Lessee and Lessor shall cause the net proceeds of any insurance claim (including self-insurance) or condemnation award to be applied, at Lessee's option (so long as no default or Event of Default has occurred) or at Lessor's option (following the occurrence of a default or Event of Default), to (i) the prompt repair, restoration, modification or replacement of the Equipment so affected or (ii) the payment in full of the then applicable Concluding Payment. Any balance of net proceeds remaining after completion of such work or payment of such Concluding Payment shall be paid promptly to Lessee. If the net proceeds are insufficient to pay the costs of such repair, restoration, modification or replacement or to pay such Concluding Payment in full, Lessee shall, at Lessor's direction, either complete the work or pay the then applicable Concluding Payment in full and in either case pay any cost in excess of the amount of net proceeds, but only from legally available funds.

12. Insurance. (a) Insurance Policies. If Lessee is not self-insured (as hereafter provided), Lessee shall, at its expense, keep the Equipment fully insured against loss, fire, theft, damage or destruction from any cause whatsoever in an amount not less than the greater of (a) the total rental payments for the Lease Term, and (b) the full replacement cost of the Equipment without consideration for depreciation. Lessee shall also provide such additional insurance against injury, loss or damage to persons or property arising out of the use or operation of the Equipment as is customarily maintained by the owners of like property, with companies satisfactory to Lessor. Each policy shall provide that, as to the interest or coverage of Lessor or Lessor's assignee, the insurance afforded thereby shall not be suspended, forfeited or in any manner prejudiced by any default or by any breach of warranty, condition or covenant on the part of Lessee. If Lessee shall fail to provide any such insurance required hereunder or, within ten (10) business days after Lessor's request therefor, shall fail to deliver the policies or certificates thereof to Lessor, then Lessor, at its option, shall have the right to procure such insurance and to add the full cost thereof to the rental payment next becoming due, which Lessee agrees to pay as additional rent. All such insurance shall be in form, issued by such insurance companies and be in such amounts as shall be satisfactory to Lessor, and shall provide that losses with respect to the Equipment, if any, shall be payable to Lessor as "loss payee," and all such liability insurance shall include Lessor as an "additional insured." Lessee shall continue the insurance described in Exhibit C-1 and provide satisfactory evidence of the insurance coverage required hereunder. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payments of and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy, but solely with respect to the Equipment.

(b) Self-Insurance. If Lessee is self-insured with respect to equipment such as the Equipment under an actuarially sound self-insurance program that is acceptable to Lessor, Lessee shall maintain during the Lease Term such actuarially sound self-insurance program and shall provide evidence thereof in form and substance satisfactory to Lessor. Lessee agrees to provide to the Lessor (including any assignee thereof) notice of any material alteration, change or cancellation of any coverage with respect to the Equipment required herein or under any certificate, letter or other document provided in the connection with the Lease at least thirty (30) days prior to the effective date of such change, cancellation, and/or alteration.

13. Fees; Taxes and Other Governmental Charges; Liens. Except as provided in this Section 13, Lessee shall not, directly or indirectly, create, incur, assume, permit or suffer to exist any mortgage, pledge, lien, encumbrance, or claim on or with respect to the Equipment that either impairs Lessee's use of the Equipment, or has an adverse effect on the Lessor's rights or interest (security interest or otherwise) in and to the Equipment or under this Lease Agreement. Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such lien or encumbrance, if the same shall arise at any time; provided that Lessee may in good faith contest any such lien or encumbrance, if it provides security to Lessor against any loss or forfeiture upon Lessor's reasonable request.

Lessee shall promptly pay all taxes, assessment or other charges imposed on Lessee's possession and use of the Equipment, if any; provided, however, Lessee may, at Lessee's expense and in its name, in good faith contest any

such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. Notwithstanding the foregoing, if Lessor notifies Lessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of Lessor in the Equipment (security interest or otherwise) will or could be adversely affected or the Equipment, or any part thereof, will or could potentially be subject to loss or forfeiture, then Lessee shall promptly pay such taxes, assessments, or charges or provide Lessor with full security against any loss that may result from nonpayment, in form satisfactory to Lessor, or Lessor may, after notifying Lessee in writing, pay same and add such payment to the rental payment next becoming due, as additional rent.

Lessee shall execute and deliver to Lessor upon Lessor's request such further instruments and documents containing such other assurances as Lessor deems necessary or advisable for the confirmation or perfection of Lessor's rights hereunder or to otherwise effectuate the intent of this Lease Agreement.

14. Indemnification. To the extent authorized or permitted by law, Lessee shall indemnify and save Lessor, its officers, employees, agents, servants, successors and assigns, harmless from any and all liabilities (including, without limitation, negligence, tort and strict liability), damages, reasonable expenses, claims, actions, proceedings, judgments, settlements, losses, liens and obligations, including (without limitation) reasonable attorneys' fees and costs ("Claims"), arising out of the ordering, purchase, delivery, rejection, non-delivery, ownership, selection, possession, leasing, renting, financing, operation, control, use, condition, maintenance, delivery, transportation, storage, repair, return or other disposition of the Equipment, any claims arising under federal, state or local environmental protection and hazardous substance clean up laws and regulations and any claims of patent, trademark or copyright infringement or, if Lessee shall be in default hereunder, arising out of the condition of any item of Equipment sold or disposed of after use by Lessee, including (without limitation) claims for injury to or death of persons and for damage to property; provided, however, such indemnification shall not apply to any liabilities, damages, expenses, claims, judgments, settlements, losses, liens and obligations arising out of the gross negligence, bad faith or willful misconduct of the Lessor or its officers, employees, successors or assigns. The indemnities, assumption of liabilities and obligations herein provided shall be payable solely from funds legally available for such purpose and shall continue in full force and effect notwithstanding the expiration, termination or cancellation of this Lease Agreement for any reason whatsoever.

15. Assignment; Subleasing. LESSEE SHALL NOT ASSIGN, PLEDGE, MORTGAGE, SUBLET OR OTHERWISE TRANSFER OR ENCUMBER ANY OF ITS RIGHTS UNDER THIS LEASE AGREEMENT, THE ESCROW AGREEMENT (INCLUDING THE ESCROW FUND CREATED THEREUNDER) OR IN THE EQUIPMENT OR ANY PART THEREOF, NOR PERMIT ITS USE BY ANYONE OTHER THAN LESSEE AND ITS REGULAR EMPLOYEES OR IN THE NORMAL COURSE OF USAGE BY LESSEE'S RESIDENTS, WITHOUT LESSOR'S PRIOR WRITTEN CONSENT. ANY SUCH PURPORTED TRANSFER, ASSIGNMENT OR OTHER ACTION WITHOUT LESSOR'S PRIOR WRITTEN CONSENT SHALL BE VOID. Notwithstanding the foregoing, Lessor acknowledges that the Equipment will be installed at Lessee facilities and Lessee may from time to time lease, or otherwise allow third parties to use, such Lessee facilities in which the Equipment is located in the normal course of providing services to its residents or the community. Lessor agrees that Lessor's consent is not required for such leasing, or arrangement to allow third parties to use, Lessee facilities notwithstanding this Section 15, so long as Lessee's obligations under the Lease are not otherwise diminished by such leases or usage arrangements and that such leases or usage arrangements are in the normal course of providing services to residents or the community.

Lessor may, at any time and from time to time, assign, transfer or otherwise convey all of its interest in the Equipment, this Lease Agreement, and the Escrow Agreement (including the Escrow Fund created thereunder), including, but not limited to, Lessor's rights to receive the rental payments hereunder or any part thereof (in which event Lessee agrees to make all rental payments thereafter to the assignee designated by Lessor) without the necessity of obtaining Lessee's consent, but only to a Qualified Institutional Buyer, as defined under Rule 144A of the Securities and Exchange Commission, as promulgated under the Securities Act of 1933, as amended in the Securities Act of 1933, *provided, however*, Lessor will deliver to Lessee prior written notice of an assignment and no such assignment, transfer or conveyance shall be effective until Lessee shall have received such notice of assignment that discloses the name, address, and tax identification number of such assignee and representations of the assignee's status as a Qualified Institutional Buyer along with a Assignee Letter executed by the assignee in substantially the same form as provided Exhibit J hereto. During the term of this Lease Agreement, Lessee shall keep, or cause to be kept, a complete and accurate record of all documents and records relating to this Lease Agreement and the Escrow Agreement, including all such assignments, with respect hereto in form necessary to comply with Section 149 of the

Internal Revenue Code of 1986, as amended (the "Code"). Lessee agrees (unless otherwise stated), if so requested, to acknowledge any such assignment in writing within 15 days after request therefor in the form attached as Exhibit B hereto. Lessee further agrees that any moneys or other property received by Lessor as a result of any such assignment, transfer or conveyance shall not inure to Lessee's benefit. As between the Lessor and any assignee on the one hand, and Lessee on the other, Lessor and the assignee shall be responsible for ensuring that any such assignment complies with California Government Code Sections 5950 through 5955 and all other applicable law or other requirements herein, and Lessee does not assume any responsibility or liability with respect to any such non-compliance

Lessee hereby appoints Lessor as Lessee's agent for purposes of maintaining a written record of all such assignments, and Lessor shall provide a full and complete copy of such written record to Lessee upon Lessee's request. To the extent Lessee should merge with another entity or reorganize under the laws of the State, Lessee agrees that, to the extent it can do so lawfully, as a condition to such merger or reorganization it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor (or if such 30-day advance notice is not legally feasible, then as soon as practicable). Lessee shall give advance notice to the Lessor of any assignment of this Lease Agreement or the Equipment to the successor organization under a plan of reorganization or merger in accordance with California law.

16. Events of Default; Remedies. Each of the following events constitutes an "Event of Default" hereunder: (a) Lessee fails to pay in full the rental payment due hereunder on any date upon which such rental payment is due; (b) Lessee fails to comply with any other agreement or covenant of Lessee hereunder for a period of 30 days following receipt of written notice of violation of such agreement or covenant and demand that such violation be remedied; (c) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar officer is appointed for Lessee or any of its property; (d) any warranty, representation or statement made in writing by or on behalf of Lessee in connection with this Lease Agreement and documents or certificates provided in connection therewith is found to be incorrect or misleading in any material respect on the date made; (e) actual or attempted sale, lease or encumbrance of any of the Equipment or the Escrow Fund or the making of any levy, seizure or attachment thereof or thereon, except as expressly permitted hereunder; or (f) Lessee defaults in its payment or material performance obligations under any other agreement for borrowing money, lease financing of property, or otherwise receiving credit and the obligee thereunder (or trustee on its behalf) is permitted to exercise any remedies under such agreement(s).

Immediately upon the occurrence of an Event of Default hereunder, Lessor may (1) demand payment of all rental payments and other amounts that may have been appropriated through the end of the then current Fiscal Year, and terminate this Lease Agreement or Lessee's rights hereunder and in any such event repossess the Equipment, which Lessee hereby agrees, at its expense, to surrender promptly to Lessor at such location within a fifty mile radius of the Lessee's address and within the continental United States as Lessor shall direct; (2) without terminating this Lease Agreement, take whatever action at law or in equity may appear necessary or desirable, to collect each rental payment as it becomes due thereunder; and (3) exercise any right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce performance by the Lessee of the applicable covenants of this Lease Agreement or to recover for the breach hereunder. If Lessor is entitled to repossess the Equipment under any provision of this Lease Agreement, Lessee shall permit Lessor or its agents to enter the premises where the Equipment is then located, subject to applicable public safety restrictions. In the event of any such repossession, Lessee shall execute and deliver such documents and/or take such other action as may reasonably be required to restore title to and possession of the Equipment to Lessor, free and clear of all liens and security interests to which the Equipment may have become subject, excluding any such lien created by or in favor of the Lessor. Upon repossession, if the Equipment is damaged or otherwise made less suitable for the purposes for which it was manufactured than when delivered to Lessee, Lessee agrees, at its option, to (a) repair and restore the Equipment to the same condition in which it was received by Lessee (reasonable wear and tear excepted) or (b) pay to Lessor the reasonable costs of such repair and restoration, or (c) pay for the transfer of any and all licenses, rights, or interest in any software or programming, to the extent the foregoing may be assigned. If Lessor sells or otherwise liquidates the Equipment or takes any money from the Escrow Fund following an Event of Default as provided herein and in Section 5(c) of the Escrow Agreement and realizes net proceeds (after payment of costs) in excess of total rental payments that would have been paid during the Lease Term plus any other amounts then due hereunder, Lessor shall immediately pay the amount of any such excess to Lessee.

Lessor shall also be entitled to exercise any or all remedies available to a secured party under the applicable Uniform Commercial Code and all other rights and remedies that Lessor may have at law or in equity. All rights and

remedies of Lessor shall be cumulative and not alternative. Lessor's failure to exercise or delay in exercising any right or remedy shall not be construed as a waiver thereof, nor shall a waiver on one occasion be construed to bar the exercise of any right or remedy on a future occasion. Lessee agrees to reimburse Lessor for any expenses (including attorney's fees) reasonably incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor, but only from legally available funds.

17. **Late Payments.** Whenever any rental payment or other amount payable to Lessor by Lessee hereunder is not paid within ten (10) days after such due date, Lessee agrees to pay Lessor a late charge on the delinquent amount at the "Default Rate," equal to twelve percent (12%) per annum or the maximum amount permitted under applicable law, whichever is less. Such amount(s) shall be payable solely from legally available funds in addition to all amounts payable by Lessee as a result of the exercise of any of the remedies herein provided.

18. **Rental Payments to Be Unconditional.** So long as Lessee has the right to the beneficial use and enjoyment of the Equipment hereunder, Lessee agrees that Lessee's obligations under this Lease Agreement are absolute and unconditional, notwithstanding any dispute between Lessee and Lessor, the Vendor, or any other person. Lessee shall not assert any right of set-off or counterclaim against its obligation to make rental payments hereunder. To the extent permitted by applicable law, Lessee hereby waives any and all rights that it may now have or that at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease Agreement or any of the items of Equipment except in accordance with the express terms hereof.

19. **New Clean Renewable Energy Bond.** Lessee will use the proceeds to finance qualified renewable energy facilities comprised of fifteen solar energy facilities to be located in and owned by the City of Rialto. Lessee makes the following representations in order to establish that its obligation under this Lease Agreement is a qualifying "new clean renewable energy bond" within the meaning of Section 54C of the Code:

(a) Lessee is a municipal corporation, duly organized and existing under and by virtue of the laws of the State political subdivision of the State of California, and a governmental body and qualified issuer within the meaning of Section 54C of the Code.

(b) Each of the facilities to be improved with proceeds of this Lease Agreement is owned by the City.

(c) The City has determined that each of the facilities to be improved with proceeds of this Lease Agreement will be a qualified renewable energy facility (as determined under Section 45(d) of the Code without regard to paragraphs (8) and (10) thereof and to any placed in service date).

(d) One hundred percent of the "Available Project Proceeds," as defined in Section 54A(e)(4) of the Code, are to be used for capital expenditures incurred by governmental bodies. No Proceeds will be spent to enlarge the facilities or to acquire existing buildings.

(e) Lessee is the issuer of the new clean renewable energy bond and has approved the execution and delivery of this Lease Agreement in writing. Lessee has designated its obligations under this Lease Agreement as a new clean renewable energy bond.

(f) Lessee reasonably expects that (a) 100% or more of the Available Project Proceeds are to be spent for one or more qualified purposes within the three (3) year period beginning on the Funding Date (the "Expenditure Period"); (b) it has or will have a binding commitment with a third party to spend at least 10% of the Available Project Proceeds within the 6-month period beginning on the Funding Date; and (c) 100% of the Available Project Proceeds will be used for a qualified purpose with respect to the facilities for the entire term of this Lease Agreement (without regard to any redemption provision). To the extent that less than 100% of the Available Project Proceeds of the Lease Agreement are expended for a qualified purpose by the end of Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of said Available Project Proceeds Expenditure Period, all in accordance with the requirements of Section 54A(d)(2) of the Code in the time and manner prescribed by the Code.

20. **Tax Covenants, Indemnity.** (a) Lessee shall at all times do and perform all acts and things permitted by law and this Lease Agreement that are necessary or desirable in order to assure that the tax credit provided for in Section 54C of the Code, remains available to the owner of Lessee's obligation hereunder and shall

take no action that would result in such credit's not being so available. This covenant shall survive the payment in full of Lessee's obligations hereunder.

(a) It is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment hereunder for federal income tax purposes.

(b) The Lessee shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Lease Agreement.

(c) The Lessee shall not take, or permit or suffer to be taken by the Escrow Agent, as defined in the Escrow Agreement, or otherwise, any action with respect to the proceeds of this Lease Agreement which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date hereof of the Lease Agreement would have caused the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Code as modified by Section 54A(d)(4) of the Code, including the Treasury Regulations with respect thereto.

(d) Except as otherwise provided in item (ii) of this subsection, (i) the Lessee covenants that all investments of amounts deposited in any fund or account created by or pursuant to the Escrow Agreement, or otherwise containing gross proceeds of the Lease (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Lease Agreement or the Code) at Fair Market Value; (ii) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of Section 148 of the Code). The term "Fair Market Value," as used herein, means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (A) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (B) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (C) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (D) any commingled investment fund in which the Lessee and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the Regulations, the term "investment" will include a hedge.

(e) All Available Project Proceeds of this Lease Agreement will be spent on capital expenditures with a reasonably expected economic life of one year or more.

(f) No proceeds of the Lease Agreement and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Lease Agreement, will be used to pay the costs incurred in connection with the execution and delivery of this Lease Agreement and the Escrow Agreement, including counsel fees, fees and expenses of the Escrow Agent, and similar costs, fees, and expenses (the "Costs of Issuance"). If the fees of the Lessor or the Lessor's assignee, as original purchaser of the Lease Agreement, are retained as a discount on the purchase of this Lease Agreement, such retention shall be deemed to be an expenditure of proceeds of this Lease Agreement for said fees and such fees are deemed to be Costs of Issuance.

(h) The Lessee hereby covenants and agrees to comply with the requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the Code as such requirements relate to the New Clean Renewable Energy Bonds program and the Equipment.

(i) The Lessee understands that it is required to timely file an annual Form 1097-BTC, Bond Tax Credit, and a Form 1096, Annual Summary and Transmittal of U.S. Information Returns, for the Lease Agreement with the IRS. The Lessee also understands that it must furnish a statement to each person who is allowed a tax credit as holder of the Lease Agreement or an interest therein on a quarterly basis for the calendar quarter for which a tax credit was allowed. Such forms and filing requirements are subject to change at any time and the Lessee acknowledges that it is the Lessee's responsibility to keep abreast of developments in this area.

(j) Lessor or Lessor's assignee, if any, and Lessee contemplate that the Lessor (or the consolidated entities if the Lessor is covered by a consolidated return) shall be entitled to any tax credits made available pursuant to Section 54A of the Code (the "Tax Credit") for purposes of the Lessor's federal income tax obligations for each year during the term of this Lease Agreement. If, with respect to any tax year, the IRS makes a final determination that: (i) the Lessor is not entitled to claim the Tax Credit; or (ii) the Lessor has the credit disallowed or reduced for any reason other than not having tax liability against which to offset the Tax Credit; (in either case, a "Loss"), the Lessee shall be responsible for the Loss; provided however, that the Lessee shall not have responsibility for any loss not caused by the actions or inactions of Lessee. Subject to the foregoing, the Lessee shall pay to the Lessor, on demand following a Loss, (x) an amount evidenced by reasonable supporting documentation that, after payment of all taxes required to be paid by the Lessor prior to the next rental payment and (y) subsequent rental payments as shall be provided by Lessor on an updated Exhibit A; each calculated such that, as a result of receipt of such amount and after payment of all related interest and penalties required to be paid by the Lessor as a result of the Loss, shall restore the Lessor to the same after-tax position the Lessor would have enjoyed had such Loss not occurred; provided however, that such loss shall not exceed the value of the Tax Credit and the revised interest rate shall not exceed the maximum rate as described in Exhibit A.

(k) If, by a change in law or regulations, the Tax Credit is eliminated or reduced below the amount assumed when entering into this Lease Agreement as described on Exhibit A hereto, and the Lessor calculates that such event has the direct or indirect effect of reducing the Lessor's net after-tax return respecting the transaction contemplated by this Lease Agreement; then if Lessee does not elect to prepay pursuant to Section 10 of this Lease Agreement; then Lessee shall pay to the Lessor, within thirty (30) days upon demand, (i) an amount evidenced by reasonable supporting documentation that, after payment of all taxes required to be paid by the Lessor prior to the next rental payment and (ii) subsequent rental payments as shall be provided by Lessor on an updated Exhibit A; each calculated such that, as a result of receipt of such amount and after payment of all related interest and penalties required to be paid by the Lessor as a result of the elimination or reduction of the Tax Credit, shall restore the Lessor to the same after-tax position the Lessor would have enjoyed had such elimination or reduction of the Tax Credit not occurred; provided however, that such additional payment shall not exceed the value of the Tax Credit and the revised interest rate shall not exceed the maximum rate as described in Exhibit A.

21. Lessee Representations and Warranties. Lessee hereby represents and warrants to and agrees with Lessor that:

(a) Lessee is a political subdivision of the State of California, within the meaning of Section 103(c) of the Code, and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such.

(b) Lessee has the power and authority under applicable law to enter into the transactions contemplated by this Lease Agreement and the Escrow Agreement and has been duly authorized to execute and deliver this Lease Agreement and the Escrow Agreement and to carry out its obligations hereunder and thereunder. Lessee has provided to Lessor a full, true and correct copy of Resolution No. _____, adopted on _____, 2017, by the City Council of Lessee, authorizing Lessee to execute and deliver this Lease Agreement and the Escrow Agreement and all documents contemplated hereby and thereby. Lessee has provided to Lessor a full, true, and correct copy of an Incumbency Certificate in substantially the form attached as Exhibit E hereto relating to the authority of the officers who have executed and delivered this Lease Agreement and who will execute and deliver this Lease Agreement and the Escrow Agreement and all documents in connection herewith and therewith on behalf of Lessee.

(c) Assuming due authorization, execution and delivery by the counterparties thereto, this Lease Agreement and the Escrow Agreement, upon Lessee's execution and delivery thereof, shall constitute the legally valid and binding agreements of Lessee enforceable in accordance with their terms, except as limited by any applicable bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other similar laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. Lessee has complied with such public bidding requirements, if any, as may be applicable to the transactions contemplated by this Lease Agreement and the Escrow Agreement.

(d) To the best knowledge of Lessee, Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever that in any way limits, restricts or prevents Lessee from entering into this Lease Agreement and the Escrow Agreement, or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) To the best knowledge of Lessee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease Agreement or the Escrow Agreement, or any other agreement or instrument to which Lessee is a party and that is used or contemplated for use in the consummation of the transactions contemplated by this Lease Agreement or the Escrow Agreement. All authorizations, consents, and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Lease Agreement and the Escrow Agreement or in connection with the carrying out by Lessee of its obligations hereunder and thereunder have been obtained.

(f) To the best knowledge of Lessee, the entering into and performance of this Lease Agreement and the Escrow Agreement will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee or on the Equipment pursuant to an indenture, mortgage, deed of trust, bank loan or credit agreement, or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

(g) Lessee's name as indicated on the first page of this Lease Agreement is its true, correct, and complete legal name.

(h) The estimated useful life of the Equipment is reasonably expected not to be less than the Lease Term hereof.

(i) Lessee has entered into this Lease Agreement for the purpose of purchasing, acquiring, and leasing the Equipment and not for the purpose of refinancing any outstanding obligation of Lessee more than 90 days in advance of its payment or prepayment date. The purchase price for the Equipment has been or will be paid directly by Lessor from the Escrow Fund to the Vendor, and no portion of the purchase price for the Equipment has been or will be paid to Lessee as reimbursement for any expenditure paid by Lessee more than 60 days prior to the execution and delivery hereof.

(j) The application, statements, and credit or financial information submitted by it to Lessor are true and correct in all material respects and made to induce Lessor to enter into this Lease Agreement and the Escrow Agreement.

(k) During the term of this Lease Agreement, Lessee shall (i) provide Lessor, at or prior to the end of each Fiscal Year (commencing with the current Fiscal Year), with current budgets or other proof of appropriation for the ensuing Fiscal Year and such other information relating to Lessee's ability to continue the Lease Term for the next succeeding Fiscal Year as may be reasonably requested by Lessor and (ii) furnish or cause to be furnished to Lessor, at Lessee's expense, as soon as available and in any event not later than nine months after the close of each Fiscal Year, the audited financial statements of Lessee at the close of and for such Fiscal Year, all in reasonable detail, audited by and with the report of Lessee's auditor.

(l) On the Commencement Date, Lessee shall cause to be executed and delivered to Lessor an Opinion of Lessee's Counsel in substantially the form attached as Exhibit F hereto.

(m) Lessee shall pay the excess (if any) of the actual costs of acquiring the Equipment hereunder over the amount deposited by Lessor in the Escrow Fund and interest earnings thereon. For clarification, this representation is not intended, shall not be construed in any way to, obligate Lessee to acquire or accept any of the Equipment (or the component thereof) that is not in a satisfactory condition to Lessee.

(n) Lessee has experienced no material adverse change in its financial condition since **June 30, 2016**.

(o) Lessee acknowledges that: (a) Lessor is acting solely for its own account and not as a fiduciary for Lessee or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor; (b) Lessor has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of Lessee with respect to its acquisition of the Equipment; provided, however that Lessee and Lessor note that Lessor's counsel will provide an opinion to Lessee and Lessor in connection with certain items at issuance, and (c) Lessee has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to this Lease Agreement from its financial, legal and other advisors (and not Lessor) to the extent that Lessee desired to obtain such advice.

(p) Lessee has not experienced any Loss of Use or Occupancy, which would adversely impact its beneficial use and operation of the Equipment and adversely affect its obligation to make full rental payments with respect to the Equipment under this Lease Agreement otherwise permit an abatement of Rent under this Agreement.

22. **Execution in Counterparts; Chattel Paper.** This Lease 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; *provided, however,* that only Counterpart No. 1 hereof shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

23. **Applicable Law.** This Lease Agreement shall be construed under the laws of the State of California.

24. **Binding Effect; Severability; Survival.** This Lease Agreement shall not become effective until accepted by Lessor at its herein-described office, and upon such acceptance shall inure to and bind the parties, their successors, legal representatives, and assigns. No provision of this Lease Agreement that may be construed as unenforceable shall in any way invalidate any other provision hereof, all of which shall remain in full force and effect.

24. **Miscellaneous Provisions.** Any notice to a party hereunder shall be deemed given when mailed to that party by certified mail, return receipt requested, at its address set forth herein or such other address as either may designate for itself in such notice to the other. This Lease Agreement and the Escrow Agreement constitute the entire mutual understanding of the parties regarding the subject matter hereof and thereof and may not be modified except in writing, signed by the party against whom such modification is asserted. Upon the request of Lessor, Lessee shall at any time and from time to time execute and deliver such further documents and do such further acts as Lessor may reasonably request in order fully to effect the purposes hereof and any assignment hereof. If a court with competent jurisdiction rules that the interest rate charged hereunder exceeds the maximum rate of interest allowed by applicable law, then the effective rate of interest hereunder shall be automatically reduced to the maximum lawful rate allowable under the applicable laws.

25. **Waiver of Jury Trial; Agreement for Judicial Reference.** To the fullest extent permitted by law, each party hereto hereby waives its right to trial by jury in any action, proceeding and/or hearing on any dispute between the parties arising out of, or in any way connected with, this Agreement or any related documents, or the enforcement of any remedy under any law, statute, or regulation.

To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, parties hereto agree to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The Lessee and the Lessor shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the Lessee and the Lessor cannot agree upon a referee, the referee will be appointed by the court. The referee's fees shall be borne by the party who does not prevail, as determined by the referee.

THE UNDERSIGNED HEREBY AGREE TO ALL OF THE TERMS AND CONDITIONS AS SET FORTH IN THIS EQUIPMENT LEASE-PURCHASE AGREEMENT.

HOLMAN CAPITAL CORPORATION, Lessor

CITY OF RIALTO, Lessee

By:

Lance S. Holman
President & CEO

By:

Name: Mike Story
Title: City Manager

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Lease Agreement constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A
EQUIPMENT SCHEDULE TO EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED _____, 2017

1. DESCRIPTION OF THE EQUIPMENT:

Fifteen fifteen solar energy facilities at Civic Center, Community Center, Fire Stations, Fleet Services, Human Resources, Library, Metrolink, Police Departments, Public Works, Racquet & Fitness Center, and Senior Center, located within the City of Rialto (the "City"), each owned by the City and aggregating a cumulative combined generating capacity of approximately 1.327 Megawatt-DC, pursuant to that certain Installment Agreement with Alliance Building Solutions, Inc. (the "Vendor") to reduce Lessee's energy consumption by installing solar systems and controls and financed by this Equipment Schedule dated _____, 2017 to that certain Equipment Lease-Purchase Agreement dated _____, 2017 by and between Holman Capital Corporation and City of Rialto, including, without limitation, the following:

CATEGORY	COST
Modules	
Inverters	
Racking	
BOS	
Labor & Overhead	
Engineering & Commissioning	
Monitoring	
PV SYSTEM TOTAL	
PERFORMANCE GUARANTEE	
COST OF ISSUANCE	
CONTINGENCY	\$
GRAND TOTAL	\$ _____

together with all accessories, attachments, substitutions and accessions.

2. EQUIPMENT LOCATION: City of Rialto, as more fully described on the Vendor Contract, including:

Facility No.	Name	System Size (kW-DC)	Generation Y1 kWh	PV Module Quantity	Inverter Quantity
1	Civic Center	120,600	197,358	360	2
2	Community Center	39,530	64,386	118	3
3	Fire Station #1 / Fire HQ	96,480	155,882	288	3
4	Fire Station #2	32,160	52,829	96	2
5	Fire Station #3	52,930	87,965	158	1
6	Fire Station #4	25,460	40,240	76	2
7	Fleet Services / ITS / Purchasing	48,910	73,451	146	4
8	Human Resources / M&O	44,555	69,149	133	3

9	Library	51,925	83,166	155	1
10	Metrolink Depot	42,210	64,225	126	3
11	Police Annex	58,960	88,988	176	1
12	Police Department	237,850	357,683	710	5
13	Public Works / Engineering	32,830	47,257	98	2
14	Racquet & Fitness Center	319,590	517,950	954	6
15	Senior Center	123,280	191,007	368	3

3. RENTAL PAYMENT SCHEDULE: The rental payments shall be made for the Equipment as follows. The following schedule is subject to change as provided by Section 20 of the Lease Agreement.

PAYMENT NUMBER	DATE DUE	TOTAL RENTAL PAYMENT DUE	INTEREST COMPONENT	PRINCIPAL COMPONENT	CONCLUDING PAYMENT [°]
0					
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

[°] Assumes that all rental payments and additional rentals due on and prior to that date have been paid.

4. INTEREST RATE: _____%, subject to adjustment as provided by Section 20 of the Lease Agreement; provided, however, that the Interest Rate shall not exceed 6.25%.

5. COMMENCEMENT DATE: _____, 2017

6. SCHEDULED LEASE TERM: 20 years

7. LESSEE'S FISCAL YEAR, for accounting and budgeting purposes, runs from each July 1 through June 30 of the following calendar year. Lessee will promptly notify Lessor if there are changes to such dates of Lessee's Fiscal Year. Lessee's current Fiscal Year extends from July 1, 2017 through June 30, 2018.

8. The terms and provisions of the Equipment Lease-Purchase Agreement described above (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

9. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Equipment Lease-Purchase Agreement (particularly Paragraph 21 thereof) are true and correct as though made on the date of execution of this Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all rental payments due under this Schedule during Lessee's current Fiscal Year.

CITY OF RIALTO
as Lessee

HOLMAN CAPITAL CORPORATION,
as Lessor

By: _____
Name: Mike Story
Title: City Manager

By: _____
Name: Lance S. Holman
Title: President & CEO

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Schedule constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT B

NOTICE AND ACKNOWLEDGEMENT OF SALE OF RENTAL PAYMENTS AND ASSIGNMENT OF LEASE AGREEMENT AND ESCROW AGREEMENT

Holman Capital Corporation ("*Lessor*") and the City of Rialto ("*Lessee*") have entered into an Equipment Lease-Purchase Agreement and Equipment Schedule thereto both dated _____, 2017 (the "*Lease Agreement*"), under which Lessee has, or will have prior to its execution hereof, leased equipment (the "*Equipment*") described therein.

Lessee is hereby notified that Lessor has assigned its right, title, and interest in and to the Lease Agreement, the leased Equipment, and the rental payments as permitted by the Lease Agreement.

Lessee is hereby directed to pay any and all rental payments and other amounts due under the Lease Agreement to Mega Bank, and/or its affiliates (the "Assignee"), as directed by the Assignee or a paying agent acting on behalf of Assignee, pursuant to the instructions contained in any invoice or notice. Lessee will also direct any and all correspondence, notice and servicing requests to the Assignee at the following address:

Mega Bank
245 West Valley Bank Blvd.
San Gabriel, CA 91776
Tax ID Number: _____

By signing this Notice and Acknowledgment, Lessee agrees that it will pay all amounts due under the Lease Agreement as directed in the invoice without any set-off or deduction whatsoever notwithstanding any defect in, damage to or requisition of any of the Equipment leased under and subject to the Lease Agreement, any other similar or dissimilar event, any defense, set-off, counterclaim or recoupment arising out of any claim against Lessor or Assignee.

Lessee further acknowledges and agrees that Assignee has not assumed any of Lessor's obligations or duties arising before the delivery of this Notice and Acknowledgement on the date hereof under the Lease Agreement or made any warranties whatsoever as to the Lease Agreement or the Equipment. Lessee agrees that no change may be made to the Lease Agreement without the prior written consent of Assignee.

By signing this Notice and Acknowledgment, Lessee warrants that its representations and warranties under the Lease Agreement are true and correct on the date hereof.

Date: _____, 2017

CITY OF RIALTO, as Lessee

By: _____
Name: Mike Story
Title: City Manager

EXHIBIT C-1

INSURANCE CERTIFICATION

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

_____, 2017

Re: Certificate of Self Insurance for Equipment Lease-Purchase Agreement dated _____, 2017

[CITY TO REVISE AS APPROPRIATE. See, e.g.:]

In connection with the above referenced Lease Agreement, the City of Rialto, as lessee (the “Lessee”) certifies that Lessee is a legally self-insured public entity. Lessee is self-insured for liability up to \$500,000 and carries excess coverage totaling \$30,000,000. The primary layer liability insurance of \$10,000,000 is obtained through Municipal Insurance Cooperative (the “MIC”; see attached Exhibit C-2), a Joint Powers Authority, followed by \$10,000,000 of Excess Liability under Torus National, and a second Excess Liability layer of \$10,000,000 with Markel: Alterra America Insurance Company. The reinsurer for the excess liability through MIC is Great American Insurance Company.

The city is also self-insured for Workers Compensation and carries excess coverage up to \$100,000,000 with a \$1,000,000 self-insured retention. The coverage is purchased through Municipal Insurance Cooperative (MIC), a Joint Powers Authority but the re-insurer is Arch Insurance Company. The city also carries a buffer layer under MIC of \$250,000 Employers Liability with a self-insured retention of \$750,000.

If you have any questions, please do not hesitate to contact me at () _____ Monday through Thursday from 8:00 am – 6:00 pm.

Sincerely,

EXHIBIT D

ESSENTIAL USE CERTIFICATE

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

_____, 2017

Re: Equipment Lease-Purchase Agreement dated _____, 2017

I, Mike Story, the City Manager of the City of Rialto, as lessee (the "*Lessee*"), am qualified to answer the questions set forth below regarding the Equipment to be acquired by Lessee in connection with the above-referenced Lease Agreement:

1. *What is the specific use of the Equipment?*
Through installing solar equipment at fifteen City locations, we will generate solar electricity and reduce our use of utility-provided electricity.
2. *What increased capabilities will the Equipment provide?*
The new solar equipment at fifteen solar energy facilities to be located at the City of Rialto, each owned by the City is expected to generate a cumulative combined capacity of approximately 1.372 Megawatt-DC.
3. *Why is the Equipment essential to your ability to deliver governmental services?*
The new equipment will provide green benefits for the City, reduce use of non-renewable energy sources, and provide cost savings over the life of the project. The operating savings produced from the new equipment will also provide net General Fund relief and help us save time and financial resources for our Facilities Department.
4. *Does the Equipment replace existing equipment? (If so, please explain why you are replacing the existing equipment)*
No. The solar installations are new features of the fifteen facilities.
5. *Why did you choose this specific Equipment?*
The selected equipment is suitable as solar installations for the identified facilities and matches the brand preferences for our trained Facilities Staff.
6. *For how many years do you expect to utilize the Equipment?*
The City expects to operate the equipment beyond its individual expected service life, which ranges from 20 to 30 years.

Very truly yours,
CITY OF RIALTO, as Lessee

By: _____
Name: Mike Story
Title: City Manager

EXHIBIT E

INCUMBENCY CERTIFICATE

I, _____, do hereby certify that I am the _____ of the City of Rialto, a municipal corporation, which is a duly established and validly existing as a political subdivision of the State of California under the Constitution and laws of the State of California, and that I have custody of the records of such entity.

I hereby certify that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the City holding the offices set forth opposite their respective names. I further certify that:

- (i) The signatures set opposite their respective names and titles are their true and authentic signatures, and
- (ii) Such officers have the authority on behalf of such entity to:
 - a. Enter into that certain Equipment Lease-Purchase Agreement and Equipment Schedule both dated _____, 2017 (the "*Lease Agreement*"), between the City of Rialto and Holman Capital Corporation, as lessor, and
 - b. Enter into that certain Escrow Agreement dated _____, 2017 (the "*Escrow Agreement*"), between the City of Rialto, Mega Bank, as escrow agent, and Holman Capital Corporation, as lessor, and to execute various payment and disbursement request forms,
 - c. Execute Certificates of Acceptance and other certificate, documents, and agreements relating to the Lease Agreement and/or Escrow Agreement.

NAME

TITLE

SIGNATURE

Mike Story

City Manager

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the City of Rialto, California.

_____, 2017

Name: _____
Title: _____

EXHIBIT F

OPINION OF LESSEE'S COUNSEL

PLEASE PRINT ON LEGAL COUNSEL'S LETTER HEAD

_____, 2017

Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

Re: Equipment Lease Agreement-Purchase Agreement, dated as of _____, 2017 (the "Lease Agreement"), by and between Holman Capital Corporation (the "Corporation") and the City of Rialto (the "City")

Ladies and Gentlemen:

This opinion letter is being delivered to you in connection with the above-referenced Lease Agreement. All capitalized terms used but not defined herein have the meanings ascribed to them in the Lease Agreement. In connection with the City's execution and delivery of the Lease Agreement, serving in our capacity as City Attorney to the City, we have reviewed such documents, certificates, and records as we deemed relevant and necessary as the basis for the opinions set forth herein. Relying on such examination and subject to the limitations and qualifications hereinafter set forth, we are of the opinion that:

(1) The City is a municipal corporation, duly organized and validly existing as a political subdivision of the State of California under and by virtue of the Constitution and the laws of the State;

(2) Resolution No. _____ of the City Council has been duly adopted on _____, 2017, and is in full force and effect and have not been modified, amended, rescinded or repealed since the date of its adoption;

(3) The City is authorized and has the power under applicable law to enter into the Binding Commitment, the Lease Agreement and the Escrow Agreement (together, the "City Documents"), and to carry out its obligations under the City Documents and the transactions contemplated thereby.

(4) The City Documents have been duly authorized, executed and delivered by the City. Assuming due authorization, execution and delivery by the other parties thereto, each of the City Documents is in full force and effect, and constitutes the legally valid and binding agreement of the City enforceable in accordance with their respective terms, except as limited by any applicable bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other similar laws affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California (the "State").

(5) There is no litigation, action, suit or proceeding pending and notice of which has been received by the City or, to the best of our knowledge, threatened before any court, administrative agency, arbitrator or governmental body that challenges the authority of the City to enter into the City Documents or the ability of the City to perform its obligations under the City Documents and the transactions contemplated thereby or in any way contesting or affecting the validity of the City Documents or the authority of the City to approve the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by the City Documents or to restrain or enjoin the payment of Rental Payments (as defined in the Lease Agreement), nor is there any basis for any such action, suit, proceeding or investigation.

(6) No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained or will be obtained prior to the delivery of the City Documents), is required in connection with the adoption by the City of the Resolution; or the authorization, execution, delivery, issuance and performance, as applicable, by the City of the City Documents and the consummation of the transactions contemplated thereby

(7) To the best of our knowledge, the execution and delivery of the City Documents and compliance with the provisions thereof, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

The opinions stated in this letter are based on such examination of the law of the State of California as we deemed relevant for the purposes of this letter. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by these opinions. We have assumed the genuineness of all documents and signatures, presented to us. We express no opinion as to the status of the City Documents or any other documents executed and delivered in connection with the Lease Agreement (collectively, the "Financing Documents"), the Rental Payments payable by the City under the Lease Agreement, the interest component thereof, under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. We do not express any opinion with respect to the accuracy or sufficiency of the description of any Equipment contained in the Lease Agreement. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in any of the Lease Agreement, the Escrow Agreement or the other Financing Documents executed by the City. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty, right of setoff, arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Lease or any of the other Financing Documents. Without limiting any of the foregoing, we express no opinion as to any matter other than as expressly set forth above.

Whenever a statement herein is qualified by "to the best of our knowledge," it shall be deemed to indicate that, during the course of our representation of the City in connection with the financing described herein, no information that would give me current, actual knowledge of the inaccuracy of such statement has come to our attention. We have not, however, undertaken any independent investigation to determine the accuracy of such statements, and any limited inquiry undertaken during the preparation of this opinion letter should not be regarded as such investigation. No inference as to our knowledge of any matters bearing upon the accuracy of any such statement should be drawn from the fact of our general representation of the City.

We are furnishing this opinion letter as City Attorney to the City. No attorney-client relationship has existed or exists between us and the addressees hereof in connection with the Lease Agreement or the Escrow Agreement or by virtue of this opinion letter. This opinion letter is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. We disclaim any obligation to update this opinion letter. This opinion letter and the opinions expressed herein shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent. We agree that, in the event of an assignment by the Lessor pursuant to Section 15 of the Lease Agreement after the date hereof (the "Original Opinion Date"), upon the assignee's delivery of a Sophisticated Investor Letter to the City and subject to the City's directions, we will deliver a letter (the "Reliance Letter") addressed to the assignee, to the effect that the assignee may rely on this opinion letter, with the understanding that: (i) our delivery of the Reliance Letter will not be, and shall not be construed as, an update to this opinion; (ii) the reliance will be for this opinion letter only, speaking as of the Original Opinion Date, based on the law and circumstances in existence as of the Original Opinion Date; and (iii) we will have no responsibility to make any investigation or determination, or inform any person, regarding any events that have occurred or any matters that have come to our attention after the Original Opinion Date.

Respectfully submitted,

EXHIBIT G

(reserved; not applicable for this CREBs transaction)

EXHIBIT H

FEDERAL TAX CERTIFICATE

Dated: _____, 2017

I, Mike Story, City Manager of the City of Rialto, California (the "City"), make this certification for the benefit of all persons interested in the treatment for federal income tax purposes of the ownership of interests as a "Lessor" under the City's Equipment Lease-Purchase Agreement dated _____, 2017 (the "Lease Agreement"), entered into between the City and Holman Capital Corporation (the "Corporation"). The obligations of the City to make payments pursuant to the Lease Agreement are referred to herein as the "Obligation". I do hereby certify as follows in good faith on the date of issue of the Obligation:

1. Responsible Officer. I am the duly chosen, qualified and acting officer of the City for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the City. I am the officer of the City charged, along with other officers of the City, with responsibility for issuing the Obligation.

2. Code and Regulations. The Obligation is subject to the provisions of Sections 54A, 54C, and 148-150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations (the "Regulations") promulgated under the applicable sections of the Code. These provisions of the Code and Regulations impose restrictions on the use of facilities financed with proceeds of the Obligation and on the investment of Obligation proceeds.

3. Definitions. The capitalized terms used in this certificate (unless otherwise defined) that are defined in Resolution ____, adopted on _____, 2017, authorizing the City to enter into the Lease Agreement (the "Resolution") or in the Lease Agreement, and shall for all purposes hereof have the meanings therein specified. All terms defined in the Code or Regulations shall for all purposes of this certificate have the same meanings as given to those terms in the Code and Regulations unless the context clearly requires otherwise.

4. Reasonable Expectations. The facts and estimates that are set forth in this certificate are accurate. The expectations that are set forth in this certificate are reasonable in light of such facts and estimates. There are no other facts or estimates that would materially change such expectations. The undersigned has to the extent necessary reviewed the certifications set forth herein with other representatives of the City as to such accuracy and reasonableness. The undersigned has also relied, to the extent appropriate, on representations set forth in the certificate of the Corporation, attached as Exhibit A to this certificate. The undersigned is aware of no fact, estimate or circumstance that would create any doubt regarding the accuracy or reasonableness of all or any portion of such documents.

5. Description of Governmental Purpose. The City is issuing the Obligation pursuant to the Resolution for the purposes of funding (a) the Project (hereinafter defined) and (b) the costs of issuance of the Obligation. The primary purpose of each transaction undertaken

in connection with the issuance of the Obligation is a bona fide governmental purpose. The Project is described as follows: fifteen solar energy facilities to be located at the City of Rialto, each owned by the City and aggregating a cumulative combined generating capacity of approximately 1.327 Megawatt-DC (the “Project”).

6. New Clean Renewable Energy Bond Requirements.

(a) Designation as “New Clean Renewable Energy Bond.” For United States federal income tax purposes (and not for purposes of the laws of the State of California), the Lease Agreement is treated as an indebtedness of the City, and the City is treated as the owner of the facilities comprising the Project. The City has designated in the Resolution and the Lease Agreement that the Obligation is a “new clean renewable energy bond” within the meaning of Section 54C of the Code.

(b) New Clean Renewable Energy Bond. The City makes the following representations in order to establish that the Obligation is a qualifying “new clean renewable energy bond” within the meaning of Section 54C of the Code:

(i) The City is a municipal corporation, duly organized and existing under and by virtue of the laws of the State political subdivision of the State of California, and a governmental body and qualified issuer within the meaning of Section 54C of the Code.

(ii) Each of the facilities to be improved with proceeds of the Obligation is owned by the City.

(iii) The City has determined that each of the facilities to be improved with proceeds of the Obligation will be a solar energy facility (as described in Section 45(d)(4) of the Code), and thus a “qualified renewable energy facility” within the meaning of Section 54C(d)(1) of the Code.

(iv) One hundred percent of the “Available Project Proceeds,” as defined in Section 54A(e)(4) of the Code, are to be used for capital expenditures incurred by governmental bodies. No Proceeds will be spent to enlarge the facilities or to acquire existing buildings.

(c) Qualified Purpose. The City reasonably expects that (a) 100% or more of the Available Project Proceeds are to be spent for one or more qualified purposes within the three (3) year period beginning on the date of issuance of the Obligation (as such period may be extended by the Internal Revenue Service (the “IRS”) following a timely request by the City in its discretion for an extension) (the “Expenditure Period”); and (b) it has or will have a binding commitment with a third party to spend at least 10% of the Available Project Proceeds within the 6-month period beginning on the Funding Date. To the extent that less than 100% of the Available Project Proceeds of the Obligation are expended for a qualified purpose by the end of Expenditure Period, the City will use the unspent Available Project Proceeds to redeem the principal amount of the portion of the Obligation treated as nonqualified bonds (as determined under Section 142 of the Code) within 90 days of the end of the Expenditure Period, all in

accordance with the requirements of Section 54A(d)(2) of the Code in the time and manner prescribed by the Code. For purposes of the foregoing, the term “Available Project Proceeds” means (A) the excess of (i) the proceeds from the issuance of the Obligation, over (ii) the issuance costs financed by the Obligation (to the extent such costs do not exceed 2 percent of such proceeds), plus (B) the proceeds from any investment of such excess.

(d) CREB Allocation. The City on August 3, 2017, received from the IRS an allocation of authority to issue new clean renewable energy bonds (“New CREBs”) in the aggregate amount of \$6,854,653 for the Project. Copies of the City’s application and the IRS’ allocation are attached hereto as Exhibits B and C.

(e) Credit Rate. The applicable credit rate permitted to New CREBs is calculated by the Bureau of Public Debt and published at the Bureau of Public Debt’s web site at <https://www.treasurydirect.gov/>. The applicable credit rate permitted with respect to the Lease Agreement, as published by the Bureau of Public Debt on the date of the Binding Commitment for Lease-Purchase Agreement, dated _____, 2017, between the City, the Corporation, and Mega Bank (the “Binding Commitment”) and set forth in Exhibit D (a copy of information from the website of the Bureau of Public Debt for _____, 20__) is ____%.

(f) Term Requirement. The maximum term permitted new clean renewable energy bonds is calculated by the Bureau of Public Debt and published at the Bureau of Public Debt’s web site at <https://www.treasurydirect.gov/>. The maximum term with respect to the Lease Agreement, as published by the Bureau of Public Debt on the date of the Binding Commitment, _____, 20__ is ____ years. The maximum term of the Lease Agreement is ____ years, which does not exceed ____ years.

(g) Amount of Credit; No Qualified Bond Election. The annual credit allowed to the Corporation will be in an amount equal to 70% of the amount which would have constituted the interest component of each payment under the Lease Agreement on such date if such interest component were determined at the applicable credit rate determined under Section 54A(b)(3) of the Code with respect to the Lease Agreement. The City has not and will not elect to have Section 6431 of the Code apply to the Obligation, and the City will not request direct payments under Section 6431 of the Code (including by filing IRS Forms 8038-CP) with respect to interest paid on the Obligation.

(h) No Financial Conflicts of Interest. The City hereby certifies that applicable State and local law requirements governing conflicts of interest are satisfied and will be satisfied with respect to entering into the Lease Agreement and, to the extent applicable, the City will satisfy any additional conflicts of interest rules with respect to the Lease Agreement prescribed by the Secretary of the Treasury governing the appropriate members of Congress, Federal, State and local officials and their spouses.

7. Amount and Expenditure of Sale Proceeds of the Obligation.

(a) Amount of Sale Proceeds. The sale proceeds from the Obligation are \$_____, based on the amount set forth on Exhibit A hereto. No portion of the

proceeds of the Obligation is provided by the issuance of any other obligations of the City or any other governmental entity.

(b) Expenditure of Sale Proceeds. The proceeds of the Obligation in the amount of \$_____ will be expended as follows:

(i) The amount of \$_____ will be disbursed to pay issuance costs of the Obligation, which amount does not exceed two percent of the sale proceeds of the Obligation.

(ii) The amount of \$_____ will be deposited in the Escrow Fund (as defined below) and is expected to be disbursed, together with the earnings thereon, to pay or reimburse the costs of the Project. The aggregate amount of the costs of the Project is anticipated to be not less than such amount. Any costs of the Project not financed out of original or investment proceeds of the Obligation will be financed out of the City's available funds.

(c) Reimbursement. No portion of the amount described in paragraph 6(b) above will be disbursed to reimburse the City for any expenditures made by the City prior to the date that is 60 days before the earlier of the issue date or the date the City adopted a resolution (the "Declaration"), if any, describing the Project, stating the maximum principal amount of obligations expected to be issued for the Project, and stating the City's reasonable expectation on that date that it would reimburse expenditures for costs of the Project with proceeds of an obligation. The Declaration, if any, is not an official intent to reimburse that was declared as a matter of course, or in an amount substantially in excess of the amount expected to be necessary for the Project. The City has not engaged in a pattern of failure to reimburse original expenditures covered by official intents. Such reimbursed portion will be treated as spent for purposes of paragraph 12 below.

(d) No Sale of Conduit Loan. No portion of the proceeds of the Obligation has been or will be used to acquire, finance, or refinance any conduit loan to any party.

(e) No Overissuance. The proceeds of the Obligation will not exceed by more than a minor portion the amount necessary to accomplish the governmental purposes of the Obligation and, in fact, are not expected to exceed by any amount the amount of proceeds allocated to expenditures for the governmental purposes of the Obligation.

(f) Allocations and Accounting. The proceeds of the Obligation will be allocated to expenditures not later than 18 months after the later of the date the expenditure is made or the date the Project is placed in service, but in no event later than the date that is 60 days after the fifth anniversary of the date hereof or the final payment under the Lease Agreement, if earlier. The allocation of proceeds will be made by consistently employing the direct-tracing method of accounting. No proceeds of the Obligation will be allocated to any expenditure to which proceeds of any other obligations have heretofore been allocated.

8. Expenditure of Investment Proceeds. Investment proceeds resulting from the investment of any proceeds of the Obligation pending expenditure of such proceeds for costs of

the Project will be retained in the Project Fund and disbursed to pay or reimburse Project costs in addition to those described in paragraph 6 above.

9. No Replacement Proceeds. There are no amounts that have a sufficiently direct nexus to the Obligation or to the governmental purposes of the Obligation to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Obligation were not used for that purpose. Specifically,

(a) No Sinking Funds. Other than to the extent described in paragraph 13(b) of this certificate, there is no debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal on the Obligation.

(b) No Pledged Funds. Other than amounts described in this certificate, there is no amount that is directly or indirectly pledged to pay principal on the Obligation, or to a guarantor of part or all of the Obligation, such that such pledge provides reasonable assurance that such amount will be available to pay principal on the Obligation if the City encounters financial difficulty. For purposes of this certification, an amount is treated as so pledged if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders or the guarantor of the Obligation.

(c) No Other Replacement Proceeds. There are no other replacement proceeds allocable to the Obligation because the City reasonably expects that the term of the Obligation will not be longer than is reasonably necessary for the governmental purposes of the Obligation. Furthermore, if the term of the Obligation is longer than is reasonably necessary for the governmental purposes of the Obligation, the City does not reasonably expect to have available amounts during the portion of such period that is longer than is reasonably necessary. The City reasonably expects that the Lease Agreement would be entered into to achieve the governmental purpose of the Lease Agreement independent of any arbitrage benefit. The Lease Agreement would not have been entered into if the Corporation would not have been allowed a credit against Federal income tax for the taxable years that include the credit allowance date within the meaning of section 54A of the Code.

10. Yield on the Obligation. For purposes of determining the yield on the Obligation, the issue price of the Obligation is the price paid by the Corporation, as set forth in Exhibit A hereto, i.e., the amount transferred to the Escrow Fund pursuant to Section 2.5 of the Lease Agreement. The yield is based on the interest component of payments made by the City under the Lease Agreement and does not take into account the new clean renewable energy bond tax credit received by the Corporation. No fee paid to the Corporation, issuance costs, or costs of carrying or repaying the Obligation is taken into account for purposes of computing the yield on the Obligation.

11. Temporary Periods. The City has incurred or will incur within six months of the date hereof a binding obligation to a third party which is not subject to any contingencies within the control of the City or a related party pursuant to which the City is obligated to expend at least ten percent of the sale proceeds of the Obligation on the Project. One hundred percent of the available project proceeds will be expended on the Project for qualified purposes within the

meaning of section 54C of the Code within three years beginning on the date hereof. The available project proceeds may be invested without restriction as to yield for three years from the date of issuance of the Obligation.

12. Failure to Spend Required Amount. The City will undertake the remedial actions described in section 54A(d)(2)(B) of the Code if any available project proceeds of the Obligation have not been spent within the Expenditure Period.

13. Debt Service Fund. The City may create a debt service fund (the “Debt Service Fund”) with the proceeds from all taxes levied, assessed and collected for and on account of the Obligation to be deposited in such Debt Service Fund. In the event that a Debt Service Fund is created, the City expects that taxes levied, assessed and other funds collected for and on account of the Obligation will be sufficient each year to pay such debt service. All amounts deposited in such Debt Service Fund will be depleted at least once each year, except for a reasonable carryover amount not in excess of the greater of the earnings on such portion of the Fund for the immediately preceding year or one-twelfth of the principal payments on the Obligation for the immediately preceding year. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and principal payments on the Obligation within each year. Amounts held in the Debt Service Fund may be invested at an unrestricted yield because such amounts will be expended within 13 months of the date such amounts are received.

14. Issue. There are no other obligations that (a) are sold within 15 days of the issue date of the Obligation, (b) are sold pursuant to the same plan of financing with the Obligation, and (c) will be paid out of substantially the same source of funds as the Obligation.

15. Deemed Compliance With Rebate Requirements. Section 54A(d)(4)(B) of the Code provides that the issue of new clean renewable energy bonds is not treated as failing to meet the requirements of Section 148 of the Code by reason of any investment of available project proceeds of the issue during the Expenditure Period. Therefore, the Available Project Proceeds of the Bonds deposited in the Escrow Fund may be invested in higher yielding investments during the Expenditure Period, and the arbitrage rebate requirement of Section 148(f) of the Code will not apply to earnings from the investment of Available Project Proceeds of the Obligation during the Expenditure Period.

16. No Change in Use. The City does not expect and will not use the proceeds of the Obligation in any manner other than as described in paragraphs 5 and 6 above for the Project located in the City of Rialto and described in the Resolution and Lease Agreement. Furthermore, the City does not expect to dispose of any portion of the Project financed or refinanced with proceeds of the Obligation, or to change the use of the proceeds of the Obligation while the Obligation is outstanding.

17. Internal Revenue Service Audits. The City represents that the IRS has not contacted the City regarding any obligations issued by or on behalf of the City the proceeds of which have been or are to be used to finance assets or used for a purpose similar to the assets to be financed with the proceeds of the Obligation or the purpose for which the Obligation is being entered into or that are secured by or reasonably expected to be paid from the same or similar

source as the Obligation. To the best of the knowledge of the City, no such obligations of the City are currently under examination by the IRS.

18. 120% Test. The term of the Obligations is not longer than is reasonably necessary for the governmental purposes of the Lease Agreements because the weighted average maturity of the Obligations does not exceed 120 percent of the average reasonably expected economic life of the Project.

19. Wage and Labor Standards Requirements. The City acknowledges that Subchapter IV of Chapter 31 of Title 40 of the United States Code applies to the Project financed with the Lease Agreement. The City represents and warrants that it has complied and will comply with the requirements imposed under Subchapter IV of Chapter 31 of Title 40 of the United States Code with respect to the Project financed with the Lease Agreement. The City expressly acknowledges that such requirements generally provide that the City must comply with federal prevailing wage laws for certain classes of laborers and must comply with certain notification and specification requirements in construction contracts.

20. IRS Form 1097-BTC. The City understands that it is required to timely file an annual Form 1097-BTC, Bond Tax Credit, and a Form 1096, Annual Summary and Transmittal of U.S. Information Returns, for the Obligation with the IRS. The City also understands that it must furnish a statement to each holder of the Obligation on a quarterly basis for the calendar quarter for which a credit was allowed. Such forms and filing requirements are subject to change at any time, and the City acknowledges that it is the City's responsibility to keep abreast of developments in this area. The City hereby covenants that it will file Forms 1097-BTC, Forms 1096 and the quarterly statements to each holder of the Obligations (and all other required information reporting forms) in a timely manner.

[SIGNATURE PAGE TO FEDERAL TAX CERTIFICATE]

IN WITNESS WHEREOF, this Tax Certificate has been executed on behalf of City as of _____, 2017.

CITY OF RIALTO, CALIFORNIA

By: _____

Name: Mike Story

Title: City Manager

EXHIBIT A

CERTIFICATE OF CORPORATION

I, Lance Holman, President and CEO of Holman Capital Corporation (the "Corporation"), make this certification for the benefit of all persons in the treatment for federal income tax purposes of the ownership of the obligation of the City (the "Obligation") pursuant to the Equipment Lease-Purchase Agreement dated _____, 2017 (the "Lease Agreement"), entered into between the City and the Corporation. Each capitalized term used herein has the meaning specified for such term in the Federal Tax Certificate to which this Exhibit A is attached (the "Federal Tax Certificate"). I hereby certify as follows in good faith as of the issue date:

1. I am the duly chosen, qualified and acting officer of the Corporation for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Corporation. I am the officer of the Corporation charged, along with other officers of the Corporation, with responsibility for the Lease Agreement.

2. The Corporation has purchased the Obligation from the City for an aggregate purchase price of \$_____. The Corporation intends to hold the Obligation for investment purposes and not in the capacity of bond house, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler; provided however, the Corporation reserves the right to transfer the Obligation or portions thereof in the future in accordance with the Resolution and the Lease Agreement. The Obligation is not being offered to the public.

3. To permit the City to undertake remedial actions that may be necessary to comply with paragraph 12 of the Federal Tax Certificate, the Corporation agrees to permit the City to prepay the Obligation to the extent necessary for such remedial action, notwithstanding anything to the contrary in the Lease Agreement.

The City may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code regarding treatment for federal income tax purposes of the ownership of the Obligation. K&L Gates LLP also may rely on this certificate for purposes of its opinion regarding the treatment for federal income tax purposes of the ownership of the Obligation.

HOLMAN CAPITAL CORPORATION

Lance Holman
President & CEO

Date:

EXHIBIT B
CREBS APPLICATION

EXHIBIT C
CREBS ALLOCATION

EXHIBIT D
PUBLIC DEBT WEBSITE

EXHIBIT I:

ESCROW AGREEMENT

LESSOR:
Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653

ESCROW AGENT:
Mega Bank
245 West Valley Bank Blvd.
San Gabriel, CA 91776

LESSEE:
City of Rialto
150 S. Palm Avenue
Rialto, CA 92376

THIS ESCROW AGREEMENT (this "*Escrow Agreement*") is made as of _____, 2017, between Holman Capital Corporation (including its successors and assigns, "*Lessor*"), the City of Rialto ("*Lessee*"), and Mega Bank (the "*Escrow Agent*").

Lessor and Lessee have heretofore entered into that certain Equipment Lease-Purchase Agreement and Equipment Schedule both dated _____, 2017 (the "*Lease Agreement*"). The Lease Agreement contemplates that certain Equipment described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof.

After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease Agreement.

The Lease Agreement contemplates that Lessor will deposit with the Escrow Agent cash in the amount of \$_____ (the "*Deposit Amount*"), for deposit into the escrow fund (the "*Escrow Fund*"), to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit into the Escrow Fund, together with all interest and additions received with respect thereto, is to be applied from time to time to pay the vendor(s) or manufacturer(s) of the Equipment its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee). The Escrow Fund is to be held in Lessee's name for the benefit of Lessee and Lessor, and Lessee has granted to Lessor a first priority and perfected security interest in the Escrow Fund and any all proceeds, interest and other earnings thereon and investments therein to the Lessor by virtue of the execution of this Escrow Agreement without the need for any additional filings or financing statements.

The parties desire to set forth the terms on which the escrow is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent agrees that the Escrow Fund shall be held in escrow for the account and benefit of Lessee and all interest earned with respect to the Escrow Fund shall accrue to the benefit of Lessee and shall be applied as expressly set forth herein.

To the limited extent required to perfect the first, priority security interest hereby granted by Lessee to Lessor in the cash and negotiable instruments from time to time held in the Escrow Fund, Lessor hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of Lessor.

2. On the Commencement Date, Lessor shall deposit with the Escrow Agent cash in the amount of the Deposit Amount to be held by the Escrow Agent on the express terms and conditions set forth herein. The

Escrow Agent agrees to accept the deposit of the Deposit Amount by Lessor with the Escrow Agent, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.

3. The Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Such books and records as relating to the Escrow Fund shall be available to inspection to the Lessee at any time during business hours. Cash, securities and other negotiable instruments held in the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor). The Escrow Agent shall provide monthly statements to the Lessee regarding the activities and balance of the Escrow Fund.
4. Lessee hereby directs the Escrow Agent to invest the cash held in the Escrow Fund from time to time in a Mega Bank non-interest bearing demand deposit account with no fees or costs or, in the event such fund is not at the time available, such other investments as Lessee may from time to time specify in writing, to the extent the same are at the time legal for investment of the funds being invested. Interest (if any) or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be deposited in and become a part of the Escrow Fund.
5. Lessor and Lessee hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:
 - a. From time to time, the Escrow Agent shall pay the vendor or manufacturer of the Equipment payments then due and payable, or reimburse Lessee for amounts that it has paid to the vendor or manufacturer of the Equipment, upon receipt of the following: (a) a duly executed Certificate of Acceptance and Payment Request in the form attached as Exhibit A hereto, (b) the vendor(s) or manufacturer(s) invoice(s) specifying the acquisition price of the Equipment described in the requisition request, and (c) any additional documentation required by Lessor.
 - b. If Lessor provides to the Escrow Agent written notice of the occurrence of an Event of Default by Lessee under the Lease Agreement, the Escrow Agent shall thereupon promptly remit to Lessor the entire balance of the Escrow Fund.
 - c. Upon receipt by the Escrow Agent of a duly executed Certificate of Acceptance and Payment Request identified as the final such request, the Escrow Agent shall transfer the then remaining balance of the Escrow Fund to Lessee, upon the express condition that Lessee hereby agrees to use such excess amount solely for capital expenditures as shall be approved by Lessee or, at the written direction of Lessee, for application pursuant to Section 10 of the Lease Agreement, as provided therein, unless otherwise agreed by Lessor.
6. The Escrow Agent shall have no liability for acting upon any written instruction presented by Lessee and Lessor in connection with this Escrow Agreement that the Escrow Agent in good faith believes to be genuine. In no event shall the Escrow Agent be liable for any special indirect or consequential damages (including without limitation lost profits). Furthermore, the Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except to the extent of losses, damages or expenses that have resulted directly from its own gross negligence, willful misconduct, or bad faith. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made pursuant to Section 4.

The Escrow Agent may consult with qualified counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel. In addition, the Escrow Agent has: (i) the right to rely upon legal opinions, certificates, and other documents, (ii) the right to act through agents and attorneys, and (iii) no obligation to use or risk the Escrow Agent's own funds.

7. To the extent authorized by law, Lessee hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities that it may incur in the exercise and performance of its powers and duties in accordance with this Escrow Agreement and that are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct, or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.
8. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by Lessor and Lessee. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by Lessor and Lessee.
9. Upon the disbursement of all amounts in the Escrow Fund, this Escrow Agreement shall terminate and be of no further force and effect except that the provisions of Sections 6 and 7 hereof shall survive termination.
10. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date of receipt.
11. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor and Lessee.
12. This Escrow Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification, or change of terms hereof shall bind any party unless in writing signed by all parties.
13. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.
14. Information Required Under USA PATRIOT ACT: The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

LESSOR: HOLMAN CAPITAL
 CORPORATION

LESSEE: CITY OF RIALTO

By: _____
 Lance S. Holman
 President & CEO

By: _____
 Mike Story
 City Manager

ESCROW AGENT: MEGA BANK

By: _____
 Name: Donald Volkman
 Title: Executive Vice President

EXHIBIT A TO ESCROW AGREEMENT

CERTIFICATE OF ACCEPTANCE AND PAYMENT REQUEST

The following payment request is directed to Mega Bank (the "*Escrow Agent*"), as escrow agent under that certain Escrow Agreement dated _____, 2017 (the "*Escrow Agreement*"), between the City of Rialto ("*Lessee*"), Holman Capital Corporation ("*Lessor*"), and the Escrow Agent. Because Holman Capital Corporation has assigned all of its right, title, and interest in and to the Escrow Agreement to Mega Bank, all references herein to "Lessor" shall mean Mega Bank.

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under the Escrow Agreement the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee). The equipment described below is part or all of the Equipment leased pursuant to that certain Equipment Lease-Purchase Agreement and Equipment Schedule both dated _____, 2017 (the "*Lease Agreement*"), between Lessor and Lessee:

LOCATION	DESCRIPTION OF UNITS OF EQUIPMENT	AMOUNT	PAYEE
----------	--------------------------------------	--------	-------

Lessee hereby certifies and represents to and agrees with Lessor as follows with respect to the Equipment described above: (i) the Equipment has been delivered to the location(s) set forth in the Lease Agreement; (ii) a present need exists for the Equipment, which need is not temporary or expected to diminish in the near future; (iii) the Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority; (iv) the estimated useful life of the Equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of the Lease Agreement; (v) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for the purposes of this Escrow Agreement as of the date of this Certificate; (vi) the Equipment is covered by insurance in the types and amounts required by the Lease Agreement; (vii) no Event of Default, as defined in the Lease Agreement, and no event that with the giving of notice or lapse of time or both, would become an Event of Default, has occurred and is continuing on the date hereof; and (viii) sufficient funds have been appropriated by Lessee for the payment of all rental payments due under the Lease Agreement during Lessee's current Fiscal Year.

Based on the foregoing, the Escrow Agent is hereby authorized and directed to fund the acquisition of the Equipment set forth above by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

The following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, designating Lessee as legal owner and Lessor as secured party/lienholder, and evidence of filing.

IF REQUEST IS FINAL REQUEST, CHECK HERE ☐. The undersigned hereby certifies that the items of Equipment described above, together with the items of Equipment described in and accepted by Certificates of Acceptance and Payment Requests previously filed by Lessee with Lessor constitute all of the Equipment subject to the Lease Agreement.

Acceptance Date: _____

Approved:

MEGA BANK, as Lessor

CITY OF RIALTO, as Lessee

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SCHEDULE A TO ESCROW AGREEMENT:

NOTICE AND ACKNOWLEDGEMENT OF
ASSIGNMENT OF ESCROW AGREEMENT

Holman Capital Corporation ("Lessor"), City of Rialto ("Lessee"), and Mega Bank ("Escrow Agent") have entered into an Escrow Agreement dated _____, 2017 (the "Escrow Agreement"), pursuant to which Lessor, or its Assignee (as defined below), has deposited cash into the Escrow Fund established thereunder, which funds are to be used by Lessee to acquire certain Equipment.

Escrow Agent is hereby notified that Lessor has assigned all of its right, title, and interest in and to, but not its obligations arising prior to the delivery of this Notice and Acknowledgment on the date hereof under, the Escrow Agreement to Mega Bank ("Assignee"), including, in particular, but without limitation, Lessor's security interest in the Escrow Fund and Lessor's right to approve all payment requests submitted by Lessee.

Date: _____, 2017

LESSOR: HOLMAN CAPITAL
CORPORATION

LESSEE: CITY OF RIALTO

By: _____
Lance S. Holman
President & CEO

By: _____
Mike Story
City Manager

MEGA BANK

Name: Donald Volkman
Title: Executive Vice President

EXHIBIT J

SOPHISTICATED INVESTOR LETTER

City of Rialto
Rialto, California

Re: Equipment Lease Agreement-Purchase Agreement, dated as of _____, 2017 (the "Lease Agreement"), by and between Holman Capital Corporation (the "Corporation") and the City of Rialto (the "City")

Ladies and Gentlemen:

The undersigned (the "Assignee") is delivering this letter (the "Assignee Letter") to the City pursuant to Section 15 of the above-referenced Lease Agreement. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Lease Agreement.

The City has entered into the Lease Agreement in connection with the financing of certain Equipment, as more fully described under the Lease Agreement (the "Financing"). Pursuant to the Lease Agreement, the City is obligated to make rental payments thereunder to the Corporation. Pursuant to an assignment agreement (the "Assignment Agreement") between the Corporation and Mega Bank (the "Assignee"), the Corporation has assigned to the Assignee all of the Corporation's rights, title and interest to the Lease and the related Escrow Agreement (together, the "Financing Documents"). It is acknowledged that City is not a party to and has not reviewed the Assignment Agreement. No representation of any nature whatsoever has been or is made by the City regarding the Assignment Agreement.

The Assignee does hereby certify, represent, warrant and agree for the benefit of the City that:

(a) The Assignee understands that the payment obligations of the City under the Lease Agreement, including but not limited to rental payments thereunder, do not constitute an obligation of the City which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the full faith nor credit of the City, any other municipality or county of California, the State of California, or any political division thereof is pledged to the City's payment under or as any security for the Financing Documents.

(b) The Assignee has received, read and reviewed such documents, instruments and information related to the Financing Documents as the Assignee has requested in order to evaluate the merits and risks of entering into the financial arrangements contemplated by the Financing Documents.

(c) The Assignee has been provided an opportunity to ask questions of, and the Assignee has received answers from, representatives of the City regarding the terms and conditions of the Financing Documents, and the Assignee has obtained all additional information requested by the Assignee in connection with the Financing Documents.

(d) The Assignee has such knowledge and experience in financial and business matters in general, and in transactions such as the financial arrangements contemplated by the Financing Documents in particular, that it is capable of evaluating and has evaluated the merits and risks of entering into the financial arrangements contemplated by the Financing Documents and the Assignee is capable and prepared to bear the risks of entering into the Assignment Agreement with respect to the Financing.

(e) The Assignee understands that (i) none of the Financing Documents (or the rights to payment under such agreements) has been registered with any federal or state securities agency or commission or otherwise qualified for sale under the “Blue Sky” laws or regulations of any state, and (ii) no credit rating has been sought or obtained with respect to such agreements (or the rights to payments under such agreements).

(f) The Assignee understands that the City has not prepared any offering document (in the form of an official statement or otherwise) with respect to the Financing Documents.

(g) The Assignee acknowledges that, as between the Assignee and the City: (i) the Assignee has assumed responsibility for requesting information regarding the City, its financial condition, the Financing Documents, the provisions for payment thereof, and the sufficiency of any security therefor, and making such review as the Assignee has deemed necessary or desirable in connection with its decision to enter into the Assignment Agreement with respect to the Financing, and (ii) any additional information specifically requested from the City and provided to the Assignee prior to closing constitutes all the information and review, with the investigation made by Assignee (including specifically the Assignee’s investigation of the City) prior to entering into the Assignment Agreement, that Assignee has deemed necessary or desirable in connection with its decision to enter into the Assignment Agreement.

(h) The Assignee is duly and validly organized under the laws of its jurisdiction of incorporation or organization, and it can bear the economic risk of entering into the financial arrangements contemplated by the Financing Documents and has fully sufficient knowledge and experience in business and financial matters, including the analysis of a participation in similar financial arrangements, as to be capable of evaluating the merits and risks of entering into entering into the Assignment Agreement with respect to the Financing on the basis of the information and review described in paragraphs (b) (c), (d), and (e) above.

(i) The Assignee is entering into the Assignment Agreement for its own account and not with a present view to, or for resale in connection with, any distribution of its rights under the Assignment Agreement or any beneficial interest therein, and the Assignee intends at this time to retain such rights or beneficial interests for its own account, for an indefinite period of time, and does not intend at this time to dispose of all or any part of its rights to the Financing Documents or any beneficial interest therein. The Assignee understands that it may need to bear the risks of entering into entering into the Assignment Agreement with respect to the Financing for an indefinite time, since any transfer or assignment of its rights under the Financing Documents or any beneficial interest therein prior to expiration of the Lease Agreement may not be possible due to a variety of potential circumstances and reasons. The Assignee understands that its rights under the Financing Documents may not be transferred except in accordance with this Assignee Letter and the Section 15 of the Lease.

(j) The Assignee is legally authorized to enter into the Assignment Agreement related to the Financing.

(k) The Assignee is a qualified institutional buyer as defined under Rule 144A of the Securities and Exchange Commission, as promulgated under the Securities Act of 1933, as amended.

(l) Although the Assignee does not intend at this time to dispose of all or any part of its rights and interest under the Financing Documents or any beneficial interest therein, the Assignee acknowledges that it has the right to sell, assign and transfer such rights and interest or any beneficial interest therein, subject to the requirements set forth in the Lease Agreement, this Assignee Letter and applicable law governing such sale, assignment and transfer. The Assignee agrees that it will not sell, assign or otherwise transfer its rights and interest under the Financing Documents or any beneficial interest therein without requiring the transferee to deliver an Assignee Letter to the City to the same effect as this Assignee Letter, including this paragraph (k), with no material revisions except as may be approved in writing by the City.

(m) The person signing this Assignee Letter on behalf of the Assignee is a duly appointed, qualified and acting representative of the Assignee and authorized to make the certifications, representations and warranties contained herein.

IN WITNESS WHEREOF, the Assignee has caused this Letter to be executed and delivered by its authorized representative on _____, 2017.

MEGA BANK

By _____

Name _____

Title _____

CLOSING MEMORANDUM

**\$_____ LEASE FOR BANK-QUALIFIED, APPROPRIATION-BASED, ESCROW FUNDED
EQUIPMENT LEASE-PURCHASE AGREEMENT (SOLAR CREBS)
PURSUANT TO THAT EQUIPMENT LEASE-PURCHASE AGREEMENT AND EQUIPMENT SCHEDULE THERETO
DATED _____, 2017
BETWEEN CITY OF RIALTO, AS LESSEE, AND
HOLMAN CAPITAL CORPORATION, AS LESSOR**

Pre-Closing: Pre-Closing will be held at the Lessee's convenience, on or before _____, 2017. All documents will be executed and two (2) blue ink originals will be overnighted to Holman Capital Corporation, 25201 Paseo de Alicia, Suite 290, Laguna Hills, CA 92653 for delivery no later than 9:00 am on the morning of _____, 2017, and held in trust until such time as the wires and original documents are released by the Parties.

Closing: (1) By internal funds transfer and pending receipt of original, executed Lease Documents, on the morning of _____, 2017, the Investor is authorized by Lessee to transfer via internal credit the Total Equipment Cost (as defined below) to Escrow Agent, pursuant to a general ledger credit to the Escrow Account as follows:

Bank Name: Mega Bank
ABA Number: 122244870
Account Number:
Account Name: City of Rialto

(2) By internal funds transfer and pending receipt of original, executed Lease Documents, on the morning of _____, 2017, the Escrow Agent is authorized by Lessee to transfer via internal credit the Issuance Costs (as defined below) to Lessor as follows:

Bank Name: Community Business Bank
ABA Number: 121144191
Account Number: 201008281
Account Name: Holman Capital Corporation

Holman Capital Corporation will confirm by e-mail receipt of funds and then the release of all original documents held in trust, when such funds and/or documents are in the possession of each of the Parties. Upon confirmation by Escrow Agent of the Lease Proceeds, Lessee will wire closing costs, legal fees and other amounts to the parties in accordance with the invoices attached hereto.

**The Lessee will be responsible for a \$_____ Documentation Fee that will be due at closing.
Attached you will find the invoice.**

Sources and Uses of Funds:

Principal Amount of Lease	\$
TOTAL SOURCES	\$
Total Equipment Cost:	\$
TOTAL LEASE PROCEEDS	\$

Attest:
CITY OF RIALTO

By: _____
Name: Mike Story
Title: City Manager