

BINDING COMMITMENT FOR LEASE-PURCHASE AGREEMENT

This BINDING COMMITMENT FOR LEASE-PURCHASE AGREEMENT (this "Binding Commitment"), dated _____, 2017, entered into between the City of Rialto, a California municipal corporation existing under and by virtue of the constitution and laws of the State of California (the "City"), Holman Capital Corporation, a Delaware corporation (the "Corporation"), and Mega Bank, a state banking corporation duly organized and existing under the laws of the State of California (the "Bank");

WITNESSETH:

WHEREAS, the City has received from the Internal Revenue Service (the "IRS") an allocation of the national New Clean Renewable Energy Bond ("CREB") limitation in an amount totaling \$_____ to finance solar energy infrastructure improvements to existing facilities of the City;

WHEREAS, the City and the Corporation will enter into an Equipment Lease-Purchase Agreement (the "Lease Agreement") under which the Corporation will purchase the financed energy infrastructure improvements (the "Equipment") from the City and lease the Equipment it back to the City in exchange for rental payments to be paid by the City;

WHEREAS, the Corporation will assign all of its rights under the Lease Agreement to the Bank pursuant to an assignment agreement (the "Assignment Agreement"), in exchange for an amount equal to the amount payable by the Corporation to the City under the Lease Agreement;

WHEREAS, the City's payment obligation under the Lease Agreement will be designated as a "New Clean Renewable Energy Bond" as authorized pursuant to Section 54C of the Internal Revenue Code of 1986 (the "Code");

WHEREAS, the credit rate ("Credit Rate") applied to a CREB is the rate determined for the date that is the first day on which there is a binding contract in writing for the sale of the CREB;

WHEREAS, the maximum term for a CREB is the maximum term determined for the month in which the CREB is sold;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. Agreement to Issue and Sell; Conditions Precedent to the Closing. Upon the satisfaction (in the sole opinion of the Bank) of all conditions precedent set forth below, on _____, 2017, or at such other date and time as shall have been mutually agreed upon by the City and the Bank (the "Funding Date"), and subject to Section 7 hereof, the Bank shall pay to the Corporation \$_____ (the "purchase price") in consideration of the Corporation's assignment to the Bank of its interest in the Lease Agreement pursuant to the Assignment Agreement by paying the amount of \$_____ to the Escrow Agent, as defined in the Lease Agreement, and the amount of \$_____ to the Corporation.

SECTION 2. Role of the Bank in the Transaction. The City acknowledges that:

(a) The Bank is acting in this transaction solely for its own loan account and not as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor;

(b) The Bank has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the City (including to any financial advisor, municipal advisor, or placement agent engaged by the City) with respect to the structuring of the financing or the execution and delivery of the Lease Agreement;

(c) The Bank has no fiduciary duty pursuant to section 15B of the Securities Exchange Act of 1934, as amended, to the City with respect to the transactions relating to the structuring of the financing or the execution and delivery of the Lease Agreement and the Assignment Agreement and the discussions, undertakings, and procedures leading thereto;

(d) Each of the City and its placement agent, if any, has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction from its financial, municipal, legal, and other advisors (and not the Bank or its affiliates) to the extent that the City or its placement agent desires to, should, or needs to obtain such advice;

(e) The Bank has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to any placement agent, municipal advisor, or financial advisor of the City, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the City's financial advisor, municipal advisor, or placement agent, if any, with respect to any such matters.

(f) The transaction between the City and the Bank is an arm's length, commercial transaction in which the Bank is acting and has acted solely as a principal and for its own interest, and the Bank has not made recommendations to the City with respect to the transactions relating to the Lease Agreement or the Assignment Agreement.

SECTION 3. Representations and Warranties of the City. The City represents and warrants to the Bank that:

(a) The City is a public agency of the State of California (the "State"), and has all necessary power and authority to enter into and perform its duties under this Binding Commitment and the Lease Agreement (collectively, the "City Documents").

(b) None of the execution and delivery of the City Documents, compliance with the provisions on the City's part contained therein, 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.

(c) The City Documents have been duly authorized by the City, and, assuming due authorization, execution and delivery by the other parties thereto, will constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against cities in the State of California.

(d) There is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the City Documents or the consummation by the City of the other transactions contemplated by the City Documents.

(e) To the best knowledge of the City, there is, and on the Funding Date there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the City to restrain or enjoin the payments to be made pursuant to the Lease Agreement, or in any way contesting or affecting the validity of the City Documents or the authority of the City to approve this Binding Commitment, or enter into 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 this Binding Commitment 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.

(f) By official action of the City prior to or concurrently with the execution hereof, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by this Binding Commitment.

(g) The City is not in breach of or default under any material applicable law or administrative regulation of the State of California or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could be to materially and adversely affect the performance of the City under the City Documents.

(h) The City will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Bank or by this Binding Commitment.

(i) Any certificate of the City delivered to the Bank shall be deemed a representation and warranty by the City to the Bank as to the statements made therein.

(j) As of the time of acceptance hereof and as of the Funding Date the City does not and will not have outstanding any indebtedness (other than transactions for typical daily operations of the City or with a maturity in excess of a year) that is payable from the City's general fund except as disclosed to the Bank.

(k) The Fiscal Year 2015-16 Audited Financial Statements fairly present the financial position and results of the operations of the City as of such dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied; and as of this date there has been no materially adverse change to the financial position of the City since the date of such financial statements.

(l) Between the date of this Binding Commitment and the Funding Date, the City will not, without the prior written consent of the Bank, offer or issue any certificates, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by a lien on the City's general fund.

SECTION 4. Conditions Precedent to the Closing. Conditions precedent to the Bank's obligation to pay the purchase price on the Funding Date are:

(a) The delivery by the City of a certified copy of the resolution of the City authorizing the execution and delivery by the City of the City Documents, together with an incumbency certificate of the City.

(b) The delivery by the City of grants of CREB volume cap allocation(s) by the IRS at least equal to the purchase price.

(c) The delivery by the City and the Corporation, as applicable, of the fully executed Lease Agreement, Binding Commitment, and Assignment Agreement (collectively the "Transaction Documents"), all in form and substance acceptable to the Bank.

(d) The execution and delivery by the City of an Internal Revenue Service Form 8038-TC in a form acceptable to K&L Gates, LLP, special counsel to Holman Capital Corporation ("Special Counsel").

(e) The delivery of a certificate, dated the Funding Date, and signed by the designated representative of the City, or such other officer of City as the Bank may approve, to the effect that:

(i) The representations and warranties of the City contained in the Lease Agreement are true, complete and correct on and as of the Funding Date as if made on the Funding Date.

(ii) The representations and warranties of the City contained in Section 3 of this Binding Commitment shall each be true, complete and correct in all respects on and as of the Funding Date as if made on the Funding Date.

(iii) No event has occurred and is continuing that constitutes an Event of Default under the Lease Agreement.

(iv) The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied in connection with the execution and delivery of the City Documents and to legally and validly issue the CREB at or prior to the Funding Date.

(f) The execution and delivery by the City of a certificate as to arbitrage and other tax matters.

(g) Delivery of a legal opinion addressed to the City, the Corporation, and the Bank, dated the Funding Date, of counsel to the City in the form set forth in Exhibit F to the Lease Agreement.

(h) Delivery of a legal opinion addressed to the City, the Corporation, and the Bank, dated the Funding Date, of Special Counsel to the effect that:

(1) The City has taken all action required by it to qualify the City's payment obligations under the Lease Agreement (the "Obligation") as a qualified tax credit bond under Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"). The City has covenanted that it will continue to comply with the requirements of Section 54A of the Code so that the Obligation shall be and remain a qualified tax credit bond under said section. The Obligation is a "new clean renewable energy bond" ("CREB") within the meaning of Section 54C of the Code and a taxpayer that owns all of any portion of the Obligation on any "credit allowance date" (as defined in Section 54A(e) of the Code) will be allowed, subject to the limitations of Section 54A of the Code, a credit against the owner's federal income tax for such taxable year in an amount equal to the sum of the credits determined under Section 54A(b)(1) of the Code with respect to each credit allowance date. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the execution of the Agreement in order that the Obligation be, and continue to be, a CREB eligible for the tax credit set forth in Section 54A of the Code. The City has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause the owner of the Obligation to lose its entitlement to credits against its federal income tax.

(2) Interest payable under the Agreement is not excludable from gross income for federal tax purposes.

(i) Evidence of insurance as required by the Lease Agreement.

(j) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Bank or Special Counsel may reasonably request to evidence (i) compliance by the City with legal requirements, (ii) the truth and accuracy, as of the time of the Funding Date, of the representations of the City herein contained, and (iii) the due performance or satisfaction by the City, the Bank, and Holman Capital Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them.

(k) The Bank will deliver a Sophisticated Investor Letter in substantially the form attached hereto as Exhibit C prior to or simultaneously with the execution of the Assignment Agreement.

SECTION 5. Credit Rate. The parties hereto acknowledge that the Credit Rate with respect to the CREBs, determined as of the date hereof, and as shown on the United States Treasury Department's TreasuryDirect website, and as shown on Exhibit A attached hereto, is ____%.

SECTION 6. Maximum Maturity. The parties hereto acknowledge that the maximum maturity of the CREBs, determined as of the date hereof, and as shown on the United States Treasury Department's TreasuryDirect website, and as shown on Exhibit A attached hereto, is ____ years.

SECTION 7. Debt Service Schedule. The principal components of the Rental Payments under the Lease Agreements shall bear interest at a rate of ____%, calculated on the basis of a year of three hundred sixty (360) days and the actual days elapsed, and shall be due and payable on the dates and in the amounts as set forth in the Lease Agreements and as set forth on Exhibit B hereto.

SECTION 8. Events Permitting the Bank to Terminate. The Bank may terminate its obligation to purchase the City's obligations under the Lease Agreement before the Funding Date if any of the following occurs:

(a) any legislative, executive or regulatory action (including the introduction of legislation) or any court decision that, in the sole judgment of the Bank, casts sufficient doubt on the legality or the status of the City's obligations under the Lease Agreement so as to materially impair the expected value to the Bank of amounts due under or the security of the Lease Agreement;

(b) any action by the Securities and Exchange Commission or a court that would require registration of the Lease Agreement under the Securities Act of 1933, as amended;

(c) any event occurs or becomes known that has a material adverse effect on the financial condition of the City or on the ability of the City to perform its obligations under the Lease Agreement;

(d) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange; or

(e) any international or national crisis or banking moratorium materially affecting, in the reasonable opinion of the Bank, the market value of the Lease Agreement or new restrictions on the extension of credit by banks or other lending institutions by any federal or state agency.

If the City shall be unable to satisfy the conditions to the Bank's obligations contained in this Binding Commitment or if the Bank's obligations shall be terminated for any reason permitted by this Binding Commitment, this Binding Commitment may be canceled by the Bank at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the City in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Bank may be waived by the Bank in writing at its sole discretion. If the City shall be unable to satisfy the conditions to the Bank's obligations contained in this Binding Commitment or if the Bank's obligations shall be terminated for any reason permitted by this Binding Commitment, the City shall pay all expenses incurred by the Bank in connection with this Binding Commitment and the financing contemplated by the Lease Agreement.

SECTION 9. Notices. Any notice or other communication to be given under this Binding Commitment (other than the acceptance hereof as specified in the first paragraph hereof) shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

City: City of Rialto
City of Rialto
150 S. Palm Avenue
Rialto, CA 92653
Attention: City Manager

Corporation: Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92563
Attention: President

Lender: Mega Bank
245 West Valley Bank Blvd.
San Gabriel, CA 91776
Attention: Donald Volkman, Executive Vice President

SECTION 10. Parties in Interest; Survival of Representations and Warranties. This Binding Commitment when accepted by the City, the Corporation, and the Bank in writing as heretofore specified shall constitute the entire agreement among the City, the Corporation, and the Bank. This Binding Commitment is made solely for the benefit of the parties hereto (including the successors or assigns of the Bank). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the parties in this Binding Commitment shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the

Bank, (b) delivery of and payment by the Bank for the CREBs hereunder, and (c) any termination of this Binding Commitment.

SECTION 11. Applicable Law. This Binding Commitment shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

SECTION 12. Counterparts. This Binding Commitment may be executed by the parties hereto in separate counterparts, each of which, when so executed and delivered, shall be an original but all such counterparts shall together constitute but one and the same instrument.

SECTION 13. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Lease Agreement.

[Signature Page Follows]

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

CITY OF RIALTO

By: _____
Authorized Officer

HOLMAN CAPITAL CORPORATION

By: _____
Authorized Officer

Mega Bank

By: _____
Authorized Officer

EXHIBIT A

New Clean Renewable Energy Bond Credit Rate and Amount

The credit rate for a new clean renewable energy bond is the rate published by the Bureau of the Fiscal Service on the date of a binding, written contract for the sale of the new clean renewable energy bond. The new clean renewable energy bond credit rate as of _____, 2017, the date of the Binding Commitment (the “Binding Commitment”), is ____%. The maximum maturity for a new clean renewable energy bond is the duration published by the Bureau of the Fiscal Service for the month in which the bond is sold pursuant to a binding, written contract. The maximum maturity as of _____, 2017, the date of the Binding Commitment, is __ years. The face amount of the City's new clean renewable energy bond subject to the Binding Commitment is \$_____.

EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

[insert from Lease Agreement]

EXHIBIT C

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 _____